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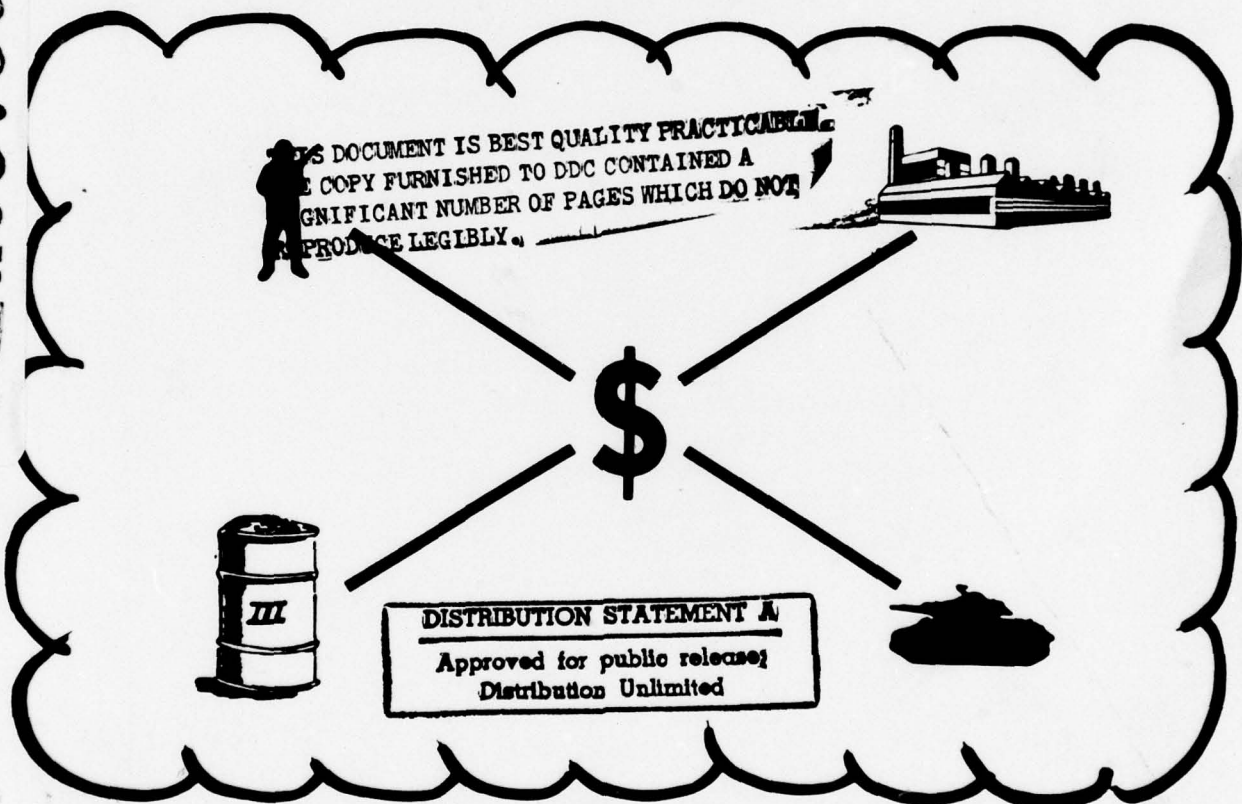


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A STUDY OF RESOURCE MANAGEMENT ON THE ARMY STAFF

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SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

1. The Resource Management Study was initiated by the Chief of Staff in July 1977 to analyze the resource management capability of the Army Staff as presently organized, to evaluate the applicability of a Deputy Chief of Staff for Resource Management (DCSRM) to DA Staff structure, to consider alternatives to both the existing and DCSRM organizations, and to recommend changes needed to provide optimum DA Staff capability for effective resource management.

2. The scope of the study included detailed analysis in the following key areas: Manpower Management, Training Management, Army Programing and Budgeting, Appropriation and Program management responsibility, Integration of goals and plans with resources (Resource Management Review), Resource Management Policy, DA Staff guidance and decision-making, and Military and civilian career management impacts.

Included in the study report are sections on: identification and statement of the problems identified, Study Plan, analysis procedure and methodology used, results of analysis, special considerations - (AIF, NAF, CITF), SELCOM recommendation to CSA, issues dropped or deferred, CSA decisions and implementation plan. ↗

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DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D.C. 20310

14 JUN 67

SUBJECT: Resource Management Study

1. The Study of Resource Management on the DA Staff represents a detailed assessment of the existing management capability of the Staff, an evaluation of alternative management organizations, and recommended solutions to significant management problems.
2. The Chief of Staff approved many of the Study Group recommendations as a basis for improving DA level resource management. Some recommendations were dropped from further consideration early in the decision process while others have been deferred for later action by the Staff.
3. Work groups composed of representatives of most Staff agencies are presently involved in preparing the detailed plans necessary to implement the Chief of Staff's decisions. These work groups will recommend dates for implementing the functional transfers associated with the decisions. It is highly probable that separate implementation dates will be selected for various segments of the study; these implementation dates will be determined in the near future.

Thomas U. Greer
THOMAS U. GREER
Major General, GS
Director of Management

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EXECUTIVE SUMMARY

PURPOSE AND SCOPE

1. The Resource Management Study was initiated by the Chief of Staff to analyze the resource management capability of the Army Staff as presently organized, to evaluate the applicability of a Deputy Chief of Staff for Resource Management (DCSRM) to DA Staff structure, to consider alternatives to both the existing and DCSRM organizations, and to recommend changes needed to provide optimum DA Staff capability for effective resource management.

2. The scope of the study included detailed analysis in the following key areas:

- a. Manpower Management
- b. Training Management
- c. Army Programing and Budgeting
- d. Appropriation and Program management responsibility
- e. Integration of goals and plans with resources (Resource Management Review)
- f. Resource Management Policy
- g. DA Staff guidance and decision-making
- h. Military and civilian career management impacts.

STUDY CONDUCT

1. Early in the study, detailed problems were identified with respect to each major functional area and provided to the Staff for comment. Staff comments indicated general concurrence with these initial study group findings, discussed in detail in chapter II.

2. Statement of the problems resulting from assignment and execution of resource management responsibilities, coupled with an intensive research process, led to detailed analysis of the capabilities of the current organization, a DCSRM, and other organizations developed as feasible alternatives, to conduct effective resource management. This initial analysis process (discussed in detail at Chapter III) used current DA Staff resource management actions as requirements which were evaluated against a standard set of criteria, using scenario analysis and a modified Delphi technique.

3. Refinement of resource management problems, and solutions thereto, continued through close coordination with Staff functional experts and key managers throughout the life of the study.

OVERALL CONCLUSIONS

Major conclusions of the study were:

- a. While the DCSRM organization, which consolidates programing, budgeting, financial management and manpower management in a single DA Staff agency, is certainly a feasible alternative organization which would result in improvements to the current performance of resource management, it is not the best DA Staff resource management organization. A DCSRM at DA level would reduce the functional load of the DAS, enhance the role of the Comptroller, increase staff attention to integrated resource management, and align the DA Staff organization with that of two MACOM's. On the other hand, there are a number of factors associated with a DCSRM organization that appear not to maximize improvements sought in overall DA level resource management. These include limiting the scope of "resources" to funds and manpower, a focus on allocation versus the full spectrum of manpower management, mixes fund and manpower management in a single agency despite a near total difference in controls and processes, provides an excessive concern for funding of civilian personnel versus all aspects of military, civilian and contract manpower, and fails to consider fully the critical need for face/space coordination.
- b. All Manpower management functions must be consolidated in a single Staff agency in order to develop an integrated Manpower management process.
- c. All military Training management functions must be consolidated in a single Staff agency. The existing divided staff responsibilities exacerbate the lack of fully integrated training resource justification.
- d. The organizational separation of Programing and Budgeting is inefficient. Split staff responsibilities lead to duplication of effort between PA&E and COA, create the potential for disconnects between long and short range resource decisions, and fail to provide resource integration for all years within a single Staff Agency.
- e. Resource management responsibilities, in terms of FYDP/OMA Program management, should be closely aligned with functional responsibilities.
- f. An effective Resource Management Review capability must be developed at DA Staff level to ensure integration of goals, priorities, guidance, and affordability with Army resources.
- g. There is a need for a singular Army-wide Policy for Resource Management. No comprehensive policy document currently exists which addresses management of total Army resources.

RECOMMENDATIONS

1. Study group recommendations were presented to the Select Committee (SELCOM) on 4 April, 18 April, and 4 May 1978. A Vice Chief of Staff decision following the initial SELCOM meeting caused certain issues to be deferred for later study or dropped from further consideration. These issues are outlined in detail at Chapter XIX.

2. Chief of Staff decisions of 25 May 1978 on SELCOM recommendations (outlined in detail at Chapter XIX) are summarized as follows:

a. Manpower

(1) Consolidate all manpower management responsibility under DCSPER.

(2) Continue DCSOPS responsibility for force structure.

b. Training

(1) Consolidate responsibility for all military training under DCSOPS.

(2) Continue DCSPER responsibility for loading the training base, professional development, career management, civil education, civilian training and pre-commission training.

c. Resource Management Review (RMR)

(1) Charge Director, PA&E, OCSA, with responsibility for Resource Management Review.

(2) Ensure COA assistance to PA&E for RMR requirements involving budget, current and prior fiscal years.

d. Base Operations (BASOPS) and Other Functional Transfers

(1) Transfer the following program/functional management responsibilities from COA:

- BASOPS Troop Support Activity management to DCSLOG
- BASOPS RPMA management to COE
- FYDP Program 9 to DCSPER
- Functional management of BASOPS Account N to DCSPER
- AIF management (exclusive of fiscal responsibilities to DCSLOG)

(2) Charge DCSLOG with Major Program responsibility for management of an administrative program entitled "Troop Support Activities", consisting of Accounts A, B, C, D, E, F, G, N, P, Q.

(3) Charge COE with Major Program responsibility for management of an administrative program entitled "Real Property Maintenance Activities", consisting of Accounts H, J, K, L, M, R.

e. Resource Management Policy -- Charge COA with development of an Army-wide policy for management of resources.

f. Implementation

(1) D/M is responsible for detailed planning, with tentative implementation date of 1 October 1978.

(2) DAS is authorized to approve detailed implementation plans, subject to adjustment based upon on-site management survey results.

BENEFITS

The overall benefits expected by CSA decisions to realign functional responsibilities include:

a. Manpower

(1) Improved Manpower management, justification, and face-space integration.

(2) Fixed responsibility for Manpower, with a clearly visible DA Staff manager.

b. Training

(1) Closer relationship between training resource requirements and readiness status.

(2) Fixed responsibility for military training, with a clearly visible DA Staff manager.

c. Resource Management Review

(1) Greater potential to integrate total resource requirements with Army goals, priorities and policies.

(2) Mandatory review of all actions having resource impact.

(3) Fixed responsibility for Resource Management Review, with a clearly visible DA Staff manager.

d. BASOPS and Other Functional Transfers

(1) Improved program management of Troop Support Activities and RPMA along functional lines.

(2) Closer alignment of Troop Support Activities and RPMA with Army goals, missions and priorities.

(3) Enhances COA fiscal and appropriation management posture through elimination of program and account directorship responsibilities.

IMPLEMENTATION

1. Detailed implementation planning will be accomplished by functionally oriented work groups. The Director of Management will coordinate work group planning efforts to ensure successful implementation of CSA approved management concepts.

2. Transfer of agency functional responsibilities, personnel, equipment and facilities is the subject of certain "ground rules", outlined at the Chief of Staff Memorandum at chapter XVII.

3. Although 1 October 1978 was initially determined to be the implementation date, not all functional transfers appear adaptable to that date. Work groups will each recommend the best implementation date for their area of interest as part of the implementation plan.

4. Per CSA decision, the Director of the Army Staff is delegated authority to approve the implementation plan.

KEY OBSERVATION

1. This study was conducted with a minimum size, but highly qualified, full time membership. Also, an "open door", "no secrets" policy was followed from beginning to end. Thus there was frequent contact with DA Staff members, especially action officers and division chiefs, who now manage the functions, systems, and processes which were under scrutiny.

2. The Study Group was especially impressed with the dedication of these "workers" of the Army Staff. It is primarily this dedication that has prevented serious resource management problems even though the structure and processes of the Army Staff were plagued with critical weaknesses and deficiencies.

3. With needed organizational and system improvements, and drawing upon the same dedicated people, the DA Staff should at one and the same time become more effective in resource management and more professionally satisfying for those involved.

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I. INTRODUCTION

ORGANIZATION

1. The Resource Management Study Group (RMSG) was formed by CSM 77-5-36, Subject: Study of Resource Management on the Army Staff, 19 July 1977, as amended by CSM's 77-5-39 and 77-5-59 (Appendices A through C).

2. The study, chaired by MG Homer S. Long, Jr., included representatives from the following DA Staff agencies: OCSA (PA&E), DCSOPS, DCSLOG, DCSPER and COA. Study members are listed at Figure I-1.

BACKGROUND

1. The intent of the May 1974 DA Staff reorganization, which eliminated the Office of the Assistant Chief of Staff for Force Development and created the existing Staff organization, was to fix responsibility in the major areas of personnel management, plans and operations, materiel acquisition, logistics, and financial management. The thrust of the reorganization included adjustment of both the organizational structure and Staff procedures so as to:

- a. Improve efficiency
- b. Eliminate fragmented responsibilities
- c. Consolidate and clearly define responsibilities for key functions, e.g., manpower, materiel acquisition, logistics
- d. Transfer operational functions from the Staff
- e. Strengthen management areas

2. The full intent of the 1974 reorganization has not been achieved. Although the materiel acquisition process was strengthened dramatically, compromise solutions to other problems resulted in split Staff responsibilities for key functions. The most notable of these functions is manpower management which was organizationally spread among six separate Staff agencies to the extent that no true manpower manager was designated. Another key example is in management of individual and unit training, each the responsibility of a different Staff agency.

3. The 1974 Staff reorganization resulted in some cases in split Staff functional and resource management responsibilities such as for Base Operations, with the Comptroller of the Army (COA) as program director but with functional management responsibilities for diverse areas spread among many Staff agencies, and the Operations and Maintenance Army (OMA) appropriation with the COA as appropriation director

but with functions similarly spread. In both cases this has forced the COA into a role as multi-functional coordinator in addition to his prime responsibility for fiscal management.

4. A 1977 Staff Manpower Functions Responsibilities Study Group reviewed the current alignment of manpower functions. Significant findings, conclusions and recommendations of the study include:

a. The May 1974 Staff reorganization did not achieve the objective for elimination of fragmented manpower management responsibilities.

b. The manpower allocation system is not fully integrated with the manpower utilization system.

c. A formal manpower manager training program, to include a military career field, does not exist.

d. The location of the manpower manager is secondary to his existence.

e. Recommended that a study on the feasibility of a DA Deputy Chief of Staff for Resource Management (DCSRM) be conducted.

5. The General Research Corporation (GRC) conducted recent studies of the current Army organization in the areas of manpower, logistics, and automated systems. Their findings indicate:

a. Inconsistent and unclear definitions of functional responsibilities are evident in Army and Chief of Staff Regulations.

b. Redundancy and bottlenecks in procedures.

c. Need for formal training in manpower management functions.

d. Need for single Army resource data base under the management of an overall administrator.

6. The Financial Management Improvement Program, discussed at Chapter VII, was the prime financial management related study utilized by the study group for analysis with respect to fiscal management.

HISTORICAL PERSPECTIVE

1. Army resource management efforts have changed markedly from pre-World War II to the present. The following is a summary of those periods:

Pre-World War II to 1953: Fragmented technical service resource management activities, with no effective cross-functional central management resulted in stovepiped addressal of resource requirements.

Key functions such as manpower management and research and development affected World War II battlefield requirements, despite efforts to develop a vertically integrated resource management agency. The office of the Comptroller was established in 1948 to improve Army financial management activities.

Between Korea and McNamara: The first OSD Comptroller was responsible for restructuring the Congressional defense appropriations categories along functional lines. These functional categories deprived the technical services of their own budgets, a major step toward their dissolution. Resource management coordination for activities fragmented among Staff agencies and the technical services was difficult. This task was assigned to the Secretary of the General Staff. Expansion of the Army Secretariat to parallel OSD created five functionally oriented assistant secretaries, four involved in resource management activities: financial management, manpower and reserve forces, logistics, and research and development.

1961 to 1965 - The McNamara Period: The Project 80 study disestablished the headquarters of the Chiefs of the Technical Services, except the Surgeon General and Chief of Engineers. Additionally, agencies were created to better manage weapons systems, training, personnel management, and long-range combat doctrine. The Director of Army Programs was assigned responsibility for coordinating the Army budget and program under the McNamara mission-oriented Planning, Programing, and Budgeting System. Resource management during this period became systems oriented.

Vietnam and VOLAR Periods: The office of Assistant Vice Chief of Staff was established to integrate Army resource management functions. The Army planning, programing and budget cycle was institutionalized with an OCSA directorate, Program Analysis and Evaluation, coordinating Staff activities. Resource management functions during this period were marked by increasing participation by the Army Staff in justifying integrated resource requirements to OSD and the Congress and the development of SELCOM decisionmaking on the critical resource management issues.

2. A more detailed history of the Army resource management organization for the cited periods, provided by Dr. James E. Hewes, Jr., Office Chief of Military History is provided at Appendix D.

PURPOSE

1. The study purpose was to analyze the capability of the Army Staff, as presently organized, to conduct resource management and to

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develop and recommend a Staff structure which would provide optimum management capability.

2. Missions assigned to the RMSG included:

- a. Assess the feasibility and effects of integrating programing, budgeting, financial management and manpower management responsibilities in a single Army Staff agency.
- b. Propose and evaluate the effectiveness of alternative organizational concepts to resolve existing resource management related problems.
- c. Develop an Army resource management policy.
- d. Assess and make recommendations for Staff organizations and procedures to optimize training management.
- e. Assess and make recommendations for improvements to military and civilian career fields as a result of required organizational changes.
- f. Propose an implementation plan for the approved course of action.

DRAFT REPORT

A draft report was staffed with each Staff agency on 10 March 1978. Additionally, information copies were provided to major field commands. Staff comments which led to detailed analysis and refinement of recommendations made to the SELCOM and CSA are summarized in nine major areas at Figures I-2 through I-10.

REPORT STRUCTURE

1. The next three chapters separately address the overall study plan, the analysis procedure and methodology used throughout the conduct of the study, and the overall analysis results. Thereafter, each remaining chapter outlines the detailed findings and recommendations for key Staff areas of interest. The summary provides a study perspective in terms of the RMSG recommendations provided to the SELCOM on eight major issues.

2. Chapter XIX focuses on DA Staff decisions regarding implementation of the RMSG recommendations. VCSA and SELCOM actions included deferral or dropping of certain issues from further study consideration and, in some cases, choice of alternative solutions to be recommended to the CSA. CSA decisions are summarized at Figure XIX-1.

RESOURCE MANAGEMENT STUDY GROUP

Homer S. Long, Jr.	MG	OCSA
Allan R. Borstorff	LTC	ODCSPER
Louis R. Jones, Jr.	LTC	ODCSOPS
Ralph R. Wolfe	LTC	ODCSOPS
William A. Barry III	MAJ	OCA
Robert T. Howard	MAJ	PA&E
Raphael E. Perrey	GS-13	ODCSLOG
Gary Purdum	GS-13	ODCSPER

Figure I-1

MANPOWER MANAGEMENT

- o DCSRDA
 - oo Consolidation within ODCSPER should facilitate addressal of RDTE manpower related resource actions
- o DAIG
 - oo Concur with the concept of maintaining separation of manpower pronency and manpower survey
- o DPA&E
 - oo Insufficient weight has been given to the dollar/manpower interface
 - oo Manpower management should be a check on the personnel manager
 - oo Manpower is a resource, not a pronency and thus assignment to a DCSRM is preferable to DCSPER
- o DCSPER
 - oo Non-concur with retention of manpower management survey in TIG

PROGRAMING AND BUDGETING

0 DCSRDA

- 00 Advantage of linking functions in a single Staff agency outweighs the disadvantage of a loss of PA&E ability to surface difficult issues to top management without Staff non-concurrences

0 COA

- 00 Single leadership for programing and budgeting will provide new opportunities to further improve both end products

I-7

0 DCSPER

- 00 Non-concur in transfer of programing responsibility from OCSA (PA&E) to COA

Figure I-3

RIW/ROLE OF COA

- o COE
 - oo Study should address and recommend implementation of Administrative Program 12
- o DCSRDA
 - oo Divesting COA of appropriation is very desirable to maintain unbiased RMR role
- o DCSLOG
 - oo Manpower resources to support AIF and BASOPS management must accompany responsibilities
- o DPAGE
 - oo Strongly support transfer of AIF, BASOPS, Program 9 and BASOPS Account N from COA
 - oo COA as honest broker for OMA would not detract from Independent review function
 - oo DCSOPS as OMA Director would place control with a proponent of but part of the supported functions - DCSLOG majority of dollars
- o DAA
 - oo Non-concur with transfer of Program 9 to DCSPER and BASOPS Account N to DCSLOG - Army Staff element with vested interest in Administration is Director of Management
 - oo Concur with COA Resource Management Review, but concept must be fully defined, developed and resourced
- o NGB
 - oo Non-concur with statement that the Army must be able to evaluate and Influence Reserve Component resources for trade-off in the same manner as for any other program or appropriation
- o CAR
 - oo Assessment of budget execution capability (current) is greatly exaggerated
 - oo Need specific management mechanisms to ensure integration and review of Reserve Component RM impacted actions/issues
- o TAG
 - oo Concur with Program 9 to DCSPER as TAGO, which functions as a DCSPER Director, has largest single share of Program 9
- o DCSPER
 - oo Non-concur with transfer of Program 9 to DCSPER - Recommend DM

Figure I-4

TRAINING MANAGEMENT

- o DCSRDA
 - oo DA Staff needs a single functional head to provide central management direction to optimize effectiveness, especially in simulators, devices and aids
- o DPA&E
 - oo Individual training must be managed directly by a general officer
 - oo Current individual training management is an integral part of personnel management
- o TAG
 - oo Nonconcur - recommended consolidation could significantly detract from DCSOPS ability to focus on war readiness
 - oo All precommissioning training should be a DCSPER responsibility
- o DCSPER
 - oo Nonconcur with transfer of individual training and Program 8T responsibility from DCSPER to DCSOPS

DECISIONMAKING / ROLE OF DAS

- o DCSRDA
 - oo Do not establish "small" Policy and Guidance element - small = not effective; large = recreation of PA&E or AVCSA
- o DPA&E
 - oo CSA must retain an independent analysis capability for "trouble shooting", "fire fighting" and studies
 - oo Study recommendations represent nothing more than taking CAR back out of DM
- o DAA
 - oo Concur in SELCOM key decision/review concept but PBC should not be divorced from the SELCOM structure

Figure I-6

RM POLICY

- o DCSRDA
 - oo Consideration should be given to placing RM advisory function within COA
- o DAIG
 - oo Concur with ARMAAP concept
- o COA
 - oo Establishment of an overall resource management policy fills a significant void at DA Staff level
- o TAG
 - oo Nonconcur with TIG field operation of ARMAAP

Figure I-7

RESERVE COMPONENTS

- o CAR
 - oo Expand scope of discussed OCAR RM responsibilities
- o NGB
 - oo Non-concur with concept of RMR addressing Reserve Component resource issues as any other program or appropriation

Figure I-8

IMPLEMENTATION PLAN

- o DCSLOG
 - oo Insufficient detailed planning time is allowed for orderly transfer of functional responsibilities
- o DPA&E
 - oo As result of ongoing OSD studies, any transfer of the programming function should be delayed pending outcome of those studies
- o COA
 - oo Support concurrent moves, but 1 October less disruptive than 1 June
- o TAG
 - oo Nonconcur with implementation date of 1 June, 1 October more realistic
- o DCSPER
 - oo Nonconcur with implementation date of 1 June, beginning October 78 would allow planning and preparation

GENERAL COMMENTS

o DCSRDA

oo Proposed reorganization should not result in an increase in the size of the DA Staff

o DAA

oo Recommendations do not solve problems of accounting policy control and resource management execution to account for resources the way they were justified

oo Accept recommendation to take Staff leadership in development of an Army Data Base

oo Non-concur in establishment of an SSA for manpower systems

Figure I-10

II. STUDY PLAN

GENERAL

1. The first task of the Resource Management Study Group (RMSG) was to develop a plan of study that would ensure a complete examination of resource management on the Army Staff. This chapter provides an overview of that plan as well as a brief discussion of some preliminary work leading to its development.

2. Early study group discussions focused on the details of the study plan and on the analysis methodology. Central to both efforts was deciding on the "framework" or "environment" which the RMSG should use to examine resource management on the Army Staff. One of the Army Staff's major tasks with respect to resource management is to obtain from OSD, OMB and the Congress sufficient resources to perform its mission; and this task has to be accomplished within the constraints of the Planning Programming and Budgeting System (PPBS). Therefore, because of its importance as the dominant system within which the Army Staff has to operate, the PPBS was chosen as the analysis "environment." By examining resource management within the context of this dominant system, other aspects of the Army staff management environment could be considered and evaluated. Increases in micro-management on the part of OSD, OMB and the Congress, declining resources and escalating costs, more sophisticated weapons and complex training techniques are certain of these aspects.

3. After completing preliminary interviews and discussions, and establishing the PPBS as the "environment" for the analysis phase, a study plan was developed in sufficient detail to permit a coordinated effort on the part of each individual on the study group. The principal phases in the plan follow:

- a. Establish the Essential Elements of Analysis.
- b. Conduct detailed research.
- c. Define the problem.
- d. Develop the DCSRM alternative.
- e. Develop other feasible alternatives.
- f. Conduct detailed analysis of DCSRM and alternatives.
- g. Formulate conclusions and recommendations.
- h. Develop Chief of Staff decision briefing.
- i. Develop implementation plan and monitor implementation.

In the remaining paragraphs each of these steps will be discussed briefly; details will be presented in later chapters.

ESTABLISH THE ESSENTIAL ELEMENTS OF ANALYSIS

1. The Essential Elements of Analysis (EEA) were established as a series of questions, the purpose of which was to aid in maintaining the principal focus of the study. The EEA proved most helpful and were referred to frequently throughout the study since they consisted of questions, the answers to which were fundamental to sound conclusions and recommendations. The thrust of the EEA mirrored the RMSG mission as stated in the CSM; they are listed under the following four major groupings:

a. CURRENT ORGANIZATION AND MANAGEMENT ENVIRONMENT

- (1) What does the term resource include?
- (2) What are the current resource management problems?
- (3) Which of the problems are attributable to the current organization?

b. DCSRM ALTERNATIVE

- (1) How would the DCSRM concept apply to the DA Staff?
- (2) What effect would DCSRM have on current problems?

c. OTHER ALTERNATIVES AND FACTORS:

- (1) What are the alternative organizations to the DCSRM?
- (2) How well can each perform resource management?
- (3) What factors other than organization need consideration?

d. EVALUATION

What are the relative merits of the current organization, DCSRM and feasible alternatives?

2. Answers to these EEA are contained throughout the report. For example the answer to the last question is the subject of Chapter IV, Results of Analysis.

CONDUCT OF DETAILED RESEARCH

1. The objective of the detailed research phase was to ensure thorough education of RMSG members and complete coverage of all aspects

of resource management. Research consisted of individual interviews, briefings, document review and fact finding trips to selected MACOMs and installations. Individual interviews were begun very early and these proved to be most valuable in adding to the list of documents to be researched and other individuals who should be interviewed. Briefings on such subjects as manpower systems, training load development and force structuring, provided an understanding of the complex nature of the resource management environment. MACOM trips provided an insight to the resource management problems as viewed from subordinate levels and the success or failure potential of the DCSRM concept. A list of individuals interviewed, briefings received and trips made is given at Tables II-1 to II-3. A complete listing of studies, directives, and documents researched is at Appendix E.

2. Research was continuous and whenever a new approach or analysis method was suggested, it was pursued. Working relationships that were not described in regulations or in other documents became clear during the numerous interviews conducted. Research was the most important phase of the study since it was essential that each member become fully knowledgeable in order to play an active role in identifying the resource management problems and in assessing the relative merits of organizational alternatives during the analysis phase of the study.

DEFINITION OF THE PROBLEM

1. Problem definition was viewed as an essential step in the study effort for if no problems could be identified, there would be no purpose in continuing the study. Based on the results of initial research a statement of existing problems was developed. This was staffed and only minor disagreement resulted. After completing the analysis phase these problems were further refined and are summarized below under functional headings: (NOTE: These same headings are referred to throughout the report as the initial "Major Issues"):

a. MANPOWER MANAGEMENT:

(1) Organizational split of functional responsibilities
results in:

- No functional head.
- Weak justification.
- Poor use of expertise.
- Complex coordination.
- Inadequate reports.

- Fragmentation of available expertise and tools.
- Lack of proper controls.
- Poor management reputation.
- Inadequate cost, people consideration.

(2) MACOM flexibility hampers DA management.

(3) Inadequate use is made of actual utilization data in analysis/decisionmaking.

b. ARMY PROGRAMING:

(1) Organizational split with budgeting results in:

- Potential for disconnects between long and short range resource decisions.
- Conflicting, confusing resource guidance.
- Excessive duplication of analyst effort -- PA&E/COA.

(2) Current PA&E "fire fighting" role diverts focus from programing.

c. RESOURCE MANAGEMENT/ROLE OF COA:

(1) OMA management responsibilities force COA into a pro-ponency role.

(2) COA is responsible for OMA decisionmaking but without a functional basis.

(3) Functional managers view COA objectivity as an impossibility.

(4) Although COA is charged with resource review responsibility, focus is on fiscal management - functional involvement limits his RM review role.

(5) Most RM review now falls to PA&E by default.

(6) The Army Staff does not effectively manage Army Industrial Fund activities.

d. TRAINING:

(1) Functional fragmentation of training responsibilities
(Individual vs Unit):

- Adversely affects measurement of total force readiness.
- Adversely affects justification of integrated training resource requirements and hampers response to training base challenges.
- Precludes development of effective tradeoffs between Programs 2 and 8-T.

(2) Without a Staff Director of Training, optimization of training resources in terms of research, developments, support and evaluation is difficult (if not impossible).

e. DECISIONMAKING AND ROLE OF DAS:

(1) Excessive use of committees for other than critical, timely coordination results in:

- Functional managers discouraged from decisionmaking.
 - Great loss of managerial time.
- (2) Adequate, timely guidance is not a certainty.
- (3) Some "critical decisions" get little attention.
- (4) Those responsible not always involved in decisions.
- (5) SELCOM schedule is too crisis oriented.
- (6) Limited CSA involvement on a timely basis.

f. RM POLICY:

(1) Existing directives are unclear, confusing, and lacking in positive direction.

(2) There is no sound, firm policy on which to base RM actions or guidance.

(3) DA Staff has little capacity for assisting the field with problems, or for validating the guidance provided.

(4) The term "Resources" is undefined, variously understood.

(5) The term "Resource Management" is more buzz-word than specific function in most usage.

The details pertaining to each of these problems will be presented in later chapters. For example the Manpower Chapter will expand on the above statements pertaining to manpower as will the Programing Chapter with respect to programing. In each of the chapters pertaining to a functional area, problems will be stated and examples of why they exist will be followed by a recommendation, either functional or procedural which should help eliminate or considerably alleviate the problem.

DEVELOPMENT OF DCSRM AND ORGANIZATIONAL ALTERNATIVES

The RMSG mission specifically directed evaluation of the DCSRM organization as well as alternatives to the DCSRM. As a result of research and problem definition the RMSG concluded that several alternatives to the DCSRM were possible but that before any detailed analysis could be conducted, each had to be developed in sufficient detail to permit an understanding of how that organization would have to function. In Chapter III, Analysis Procedure and Methodology, details of these organizations are presented.

DETAILED ANALYSIS OF DCSRM AND ALTERNATIVES

1. The purpose of the detailed analysis phase was twofold. First, to determine what type of general organizational changes (if any) needed to be made on the Army Staff, and second to determine what type of resource management procedural changes should be implemented. The analysis phase also contributed to broadening the knowledge of individual study group members. Since a "scenario" technique was employed, all study group members were totally involved in making evaluations. By using this technique, the RMSG was able to absorb a myriad of detail and uncover additional areas requiring investigation which might otherwise have gone unnoticed.

2. Early in the study effort attempts were made to locate computer techniques which could aid in evaluating the various organizations. But this search was not fruitful and as a result, the scenario technique was adopted. The procedures presented in Chapter III should perhaps be further refined by an organization like CAA or DM in order to establish a "standard analysis technique" for use in future studies involving the comparative analysis of alternative organizations.

3. The RMSG concluded early in the study that participation and involvement by "key players" throughout the duration of the Study would aid both in conduct of the analysis and in formulating conclusions and recommendations. Therefore, in addition to the specific interviews, discussed earlier, key briefings were provided which resulted in additional ideas and specific guidance relative to the Study effort. These are listed below:

- a. IPR VCSA 15 Sep 77

- b. Two Star Conference 8 Nov 77
- c. SELCOM IPR 14 Dec 77
- d. IPR CSA 16 Dec 77
- e. IPR VCSA 3 Mar 78
- f. Brief ASA's - Mar 78

FORMULATION OF CONCLUSIONS AND RECOMMENDATIONS

1. Formulation of conclusions and recommendations followed completion of the analysis phase. Details are provided in subsequent chapters and are summarized in chapter XVIII.

2. A procedure used to test the validity of analysis results and to assist in the formulation of conclusions and recommendations was to hold a series of conferences on the key aspects of the study. These were held after the bulk of the scenario analysis was completed. The conferences were primarily oriented on the functional areas being reviewed (Manpower, Training, OMA/BASOPS, Program Budget, etc.), and afforded Action Officers and others involved an opportunity to provide comments and recommendations to the Study Group.

3. Three SELCOM meetings were held to formulate final DA Staff recommendations to the CSA. The first, held on 4 April, was primarily informative and resulted only in decisions relative to deferred issue's and a target implementation date. At the 2nd and 3rd SELCOMs, 18 Apr and 4 May 78 respectively, substantive recommendations were finalized.

CSA DECISION BRIEFING AND IMPLEMENTATION

1. The CSA made decisions relative to study recommendations on 25 May 1978. These will be discussed in detail in chapter XIX. Implementation is discussed in chapter XVII.

2. The next chapter presents the details of the analysis procedure and is followed by the chapter which describes the results of the analysis.

KEY PERSONNEL INTERVIEWED

GEN Guthrie	MG Whitehead
GEN Kroesen	MG Williams
GEN Starry	BG Brown
LTG (Ret.) Kallergis	BG Bruen
LTG Fuller	BG Delaune
LTG McGiffert	BG Hale
LTG Meyer	BG Lawrence
LTG Johansen	BG Noah
LTG Shoemaker	BG Weinert
LTG Smith	BG Wright
LTG Trefry	BG Wilson
LTG West	COL Donovan
Mr. Leonard	COL Masters
MG Akers	COL Oberg
MG Buckingham	COL Penzler
MG Cochran	COL Singletary
MG Faith	COL Woodall
MG Fazakerley	COL Woods
MG Graham	LTC Ferguson
MG Greer	Mr. Phillips
MG Heiden	Mr. Connell
MG Kingston	Mr. Hobbs
MG Lynch	Mr. Ryan
MG (Ret.) Lynn	Dr. Hewes
MG Peixotto	Mr. Allen
MG Seigle	Mr. Kennedy
MG Thurman	Mr. Roach

MG Posner (USAF)
Adm Salzer (USN, Ret.)

Table II-1

BRIEFINGS RECEIVED

Manpower Management Process

• TOE Development/Approval

• Materiel Acquisition Process

Reserve Component Resource Management

Cost Analysis Activities

SACS

FORDIMS

PROBE

USAF/USN Resource Management Organization

Training Management Process

Life Cycle Personnel Management

Table II-2

MACOM/INSTALLATION BRIEFINGS - DISCUSSIONS

o TRADOC	
oo TDA Organizations	
oo Manpower in DCSRM	
oo Training Problems	o FT KNOX
oo Variable Workloads	oo Training Problems
	oo Resource Management Problems (Grass roots)
o FORSCOM	
oo TOE Organization	o FT LEE
oo Manpower Divided	oo Manpower Courses
oo Programming in Chief of Staff Office	oo Management Courses
oo Force Readiness Focus	oo Programming Course
o DARCOM	
oo Large Civilian Workforce and AIF	o AWC
oo Manpower under DCSPER	oo RM Policy
oo Logistic Readiness Focus	

Table II-3

III. ANALYSIS PROCEDURE AND METHODOLOGY

GENERAL

1. A thorough search was made to locate an ADP model which could be used to evaluate the various organizational alternatives developed. In that the search for such a model was not successful, a scenario analysis evaluation method was adopted. A very simple ADP model was later developed by the RMSG but was only useful for evaluating the sensitivity of scenario results. The methodology for the analysis phase was structured around this scenario technique and although subjective, scenario exercises resulted in so many thousands of independent evaluations that erroneous conclusions because of bias or surface knowledge were highly unlikely. The decision to use the scenario technique led to the development of the following sequence of steps in the analysis methodology:

- a. Review the details of the resource management environment.
- b. Determine evaluation criteria.
- c. Develop typical resource management actions.
- d. Establish a modified delphi evaluation technique.
- e. Establish the base case.
- f. Conduct scenario analysis exercises.
- g. Assess the relative merits of organizations.
- h. Evaluate analysis results.
- i. Use ADP models for sensitivity.
- j. Document logic and conclusions.

2. Key steps in the above methodology can be more easily understood by referring to the scenario analysis graphic at Table III-1. At the left of the graphic are listed various actions associated with phases of the PPBS. These formed the basis for each scenario conducted. The success in processing and completing these actions was assessed for each of the alternative organizations in terms of certain criteria which were used to measure the likelihood of that success. For each scenario conducted, alternative organizations received a numerical evaluation and were then ranked in relative order. The ADP model shown in the graphic was used as a sensitivity check on these scores. The remainder of this chapter describes the details of this analysis procedure and in general, follows the underlined headings in the graphic.

SCENARIO ANALYSIS PROCESS

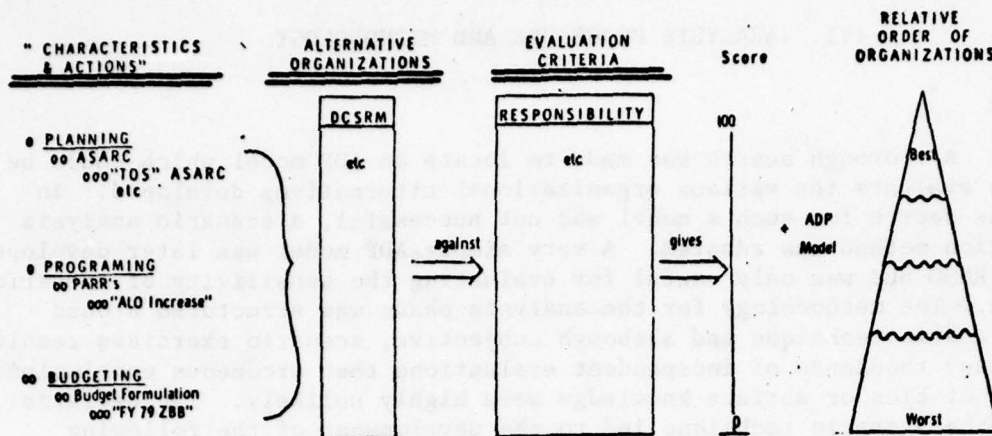


Table III-1

PPBS CHARACTERISTICS AND TYPICAL ACTIONS

1. Since the PPBS was established as the environment or framework with which to conduct scenario analysis and to analyze resource management on the DA Staff, the RMSG developed a list of typical actions which covered the entire spectrum of the PPBS and were used to assess specific functions the study group was tasked to analyze. Table III-2 is an example of the type summary developed for each action processed. Table III-3 contains a complete list of typical actions, categorized by PPBS phases, components and unique characteristics. An example of such an action is the request by USAREUR for an increase to ALO authorization for combat units. This was one of USAREUR's FY 79-83 PARR position narratives so it was structured for scenario analysis as follows:

- a. PPBS Phase -- Programing
- b. Phase Component -- Program Formulation
- c. PPBS Characteristic -- PARR processing
- d. Typical Action -- ALO Increase - Europe

1. Scenario Title: Sizing for FY 80-84 POM
2. Associated Elemental Characteristic: Logistics sizing.
3. Origin of Action: OSD generated.
4. Staff Responsibility: PA&E
5. Scenario Summary:

a. Logistics Sizing for Program Development is first forwarded to the Army in the Tentative Planning and Programing Guidance Memorandum (TPPGM). This document is forwarded to the Services in October and gives the initial guide lines for structuring service programs. With respect to logistics sizing, the document orients on all aspects of logistics, including materiel acquisition, equipment distribution, base operations, etc.

b. After OSD considers Service comments on the TPPGM, a PPGM is published, usually in the February timeframe. This document contains the final logistics guidance for program preparation. It also dictates to the services what areas must be addressed in the Service POMs.

c. This year, the Army will more than likely force a change in logistics sizing because of the NATO orientation dictated by the Chief of Staff. Attached is a copy of a procedure which the Army intends to use in building the FY 80-84 program. (Does not appear in the study report because of classification). The first column in this "horse blanket" constitutes logistics guidance as we now know it. Principal players in the development of this procedure were DCSRDA, DCSOPS (RQ), and PA&E. The procedure was staff developed using the PGRC structure as a staffing mechanism. It should be noted that much of the guidance contained in the "horse blanket" is more planning than programing oriented, yet programmers played the principal role in its development. The logistics sizing information is used by the Army Staff for POM development and by the MACOMs for PARR development.

6. Approval Authority: CSA
7. Implementation: Army Staff and MACOMs
8. Notes:

For readers of RMSG study report:

The above scenario was run early in the analysis phase prior to changes brought about by the institution of the new OSD guidance document - the Consolidated Guidance (CG). The CG was used in a later scenario.

Table III-2

III-3

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III-4

LIST OF TYPICAL ACTIONS USED IN SCENARIO ANALYSIS

<u>PPBS PHASE</u>	<u>PHASE COMPONENT</u>	<u>PHASE CHARACTERISTIC</u>	<u>TYPICAL ACTION # AND TITLE</u>
<u>I. Planning</u>	<u>A. Force Planning</u>	o Total Army Analysis (TAA)	{ #18 TAA for FY 80-84 Program
		o Periodic Force Changes	{ #52 SELCOM on Army Guidance (CY 77)
		o Materiel Acquisition Planning	{ #1 Activation of Chemical Units
			{ #2 JOE Changes
<u>II. Programming</u>	<u>B. Materiel Planning</u>	o Logistic Planning	{ #10 TOS ASARC (Fall 1977)
		o CSJF/Base Closures	{ #59 Affordability
		o CITE	{ #19 Logistic Sizing for FY 80-84 POM
			{ #11 Base Closure Studies (Fl. Dix, Devens, etc.)
<u>III. Guidance</u>	<u>C. Installation Planning</u>	o PCD's	{ #16 Contracting Laundry Operations - Fl. Sill
			{ #16a Contracting Base Operations - Fl. Gordon
			{ #15 MITC, Transportation Engineering Agency
			{ #17 Restructure of Program 8
<u>IV. Formulation</u>	<u>D. Other</u>	o PCM Preparation	{ #20 Program Continuity Memorandum (CY 77)
		o CSA Guidance (Worldwide)	{ #21 Preparation of the FY 80-84 AP/PGM
		o MACOM Program Guidance	{ #22 Preparation of the FY 80-84 PARR Instructions
			{ #23 Preparation of the October PBG
<u>V. Defense</u>	<u>B. Formulation</u>	o PARR Processing	{ #24 Preparation of the January PBG
			{ #8 USAREUR PARR Request - "ALO Increase"
			{ #53 Migration RDT to OMA (DARCOM PARR)
			{ #57 Artillery to Europe
<u>VI. Defense</u>	<u>C. Defense</u>	o Program Review	{ #9 FY 79-83 Program Review
		o Program "Packaging"	{ #25 Preparation of the FY 79-83 POM
		o Issue Cycle	{ #26 FY 79-83 Program Issue - "2 1/2 Ton Trucks"
		o "Framing" of the Program Major Issues	{ #27 Military End Strength Reduction
<u>VII. Defense</u>			{ #41 Doctor Issue
			{ #46 OSD Directed Civilianization of Military Position
<u>VIII. Defense</u>			{ #60 FY 79-83 Issue - "Women in the Army"

Table III-3

III. Budgeting

- A. Guidance
 - o MACOM Guidance
- B. Formulation
 - o Preparation of Appropriation Director's Budgets
- C. OSD/OMB Defense
 - o Preparation of the ABE to OSD
 - o PBD (DPS) Processing
- D. Congressional Defense
 - o Budget Issues
 - o President's Budget Preparation
 - o Congressional Testimony
 - o Congressional Questions

- { #27 Preparation of the CY 77 May PBG
- { #55 Preparation of the CY 77 COBE Instructions
- { #28 Development of the FY 79 Construction Budgets
- { #29 Development of the FY 79 Materiel Acquisition Budgets
- { #30 Processing the CY 77 COBE's
- { #31 Request for Army Reserve Technicians
- { #32 Development of the FY 79 Budget to OSD (ZB3)
- { #33 PBD #66 - Manyear Utilization
- { #34 AIF
- { #35 Program 7 DPS (FY 79 Budget)
- { #36 Budget Major Issues (FY 79/79)
- { #37 NGB Manpower Issue (Technicians)
- { #38 Preparation of the President's Budget (FY 79)
- { #39 SA/CSA Posture Statements
- { #40 SA Q & A Book for FY 78 Budget
- { #41 Defense of TLC
- { #42 "Lieberman's" Questions FY 78 ONA Budget

IV. Execution

- A. Fiscal
 - o FADS
 - o Reprogramming
- B. Manpower
 - o Manpower Transactions & Changes
- C. Other
 - o DAB Monitoring
 - o War/Emergency
 - o Foreign Military Sales

- { #12 Initial Issue of Funds For FY 78
- { #14 FY 77 Reprogramming Request
- { #18 \$10M for Europe
- { #23 Transfer of National Advertising for Reserve Components
- { #24 Changes to Military Manpower Program
- { #25 OSD/Congressional Civilian Reduction (CY 77)
- { #29 NAF Manpower
- { #30 Change in BMM Policy
- { #31 TRADOC Strength Change Based on ELIM-COMPLIP
- { #32 Increase in Civilian Guards
- { #33 OSHA Implementation
- { #34 Reduction in Fire Fighter Hours
- { #35 Budget Execution Review
- { #36 Outbreak of Hostilities (Manpower Required)
- { #37 National Emergency (Air Traffic Control)
- { #38 FMS Management

2. The actions listed in the table III-3 clearly demonstrate the emphasis placed on programing, budgeting and manpower related events. Emphasis was also placed on the need to utilize actions that had occurred recently and in fact most of those in the table occurred within the last 1 to 1-1/2 years. Not all actions were based on actual DA experience. For example the wartime and emergency actions had to be hypothetical in order to test organizational alternatives operating in that crisis environment. Throughout the analysis phase typical actions were added to the list whenever gaps in the RMSG coverage of resource management became apparent. Concurrent with the development of the library of typical actions the RMSG outlined the possible organizational alternatives for use during the scenario exercises.

THE ORGANIZATIONAL ALTERNATIVES

1. The RMSG was specifically tasked to "assess the feasibility, desirability and expected impact of consolidating programing, budgeting, financial management, and manpower management responsibilities in a single Army Staff agency." The consolidation of all of these activities is commonly referred to as the establishment of a Deputy Chief of Staff for Resource Management (DCSRM). This was the first organization developed for scenario analysis. The alternatives to the DCSRM were developed by focusing on the consolidation of programing and budget alone, on manpower alone, or on both consolidations but in different staff agencies. The matrix at Table III-4 illustrates these various alternatives by listing the possibilities with respect to programing and budgeting on the left of the matrix and the possibilities with respect to manpower consolidation across the top. The alternatives are also listed by number below the matrix. A specific example of an alternative to the DCSRM would be number 9 on the table, the OPS+/COA+ alternative. This alternative consolidates all manpower functions in DCSOPS while preserving that aspect of the DCSRM pertaining to the consolidation of programing and budgeting (i.e. programing to COA+.) Repetitive or impossible combinations were eliminated from consideration and are crossed out on the matrix. Additionally, the line reflecting PAE+ (on the left of the matrix) was eliminated because such a change was considered as a minor modification to the status quo (AS IS). That is, PAE would not assume all budget responsibilities, but could be staffed with a few additional people so the budget could be more closely monitored. Organization for training management was also assessed by the RMSG using the scenario technique but this does not appear on the matrix since there are only two possibilities (DCSOPS or DCSPER). Training is described in detail in Chapter VIII.

2. Beginning with Table III-5 and ending with Table III-15, the organizational alternatives are shown in summary form. The first table shows the conceptual DCSRM with manpower, programing and budgeting amalgamated within COA. Following this, each organizational alternative (not crossed out in the matrix) is shown with key functions highlighted.

ALTERNATIVE ORGANIZATIONS

Consolidate Manpower					
As Is	DCSRM	ACSM	OPS+	PER+	COA+
1		2	3	4	5
	6				
7		8	9	10	

Consolidate
Program/Budget
As Is
DCSRM
PAE+
COA+

III-7

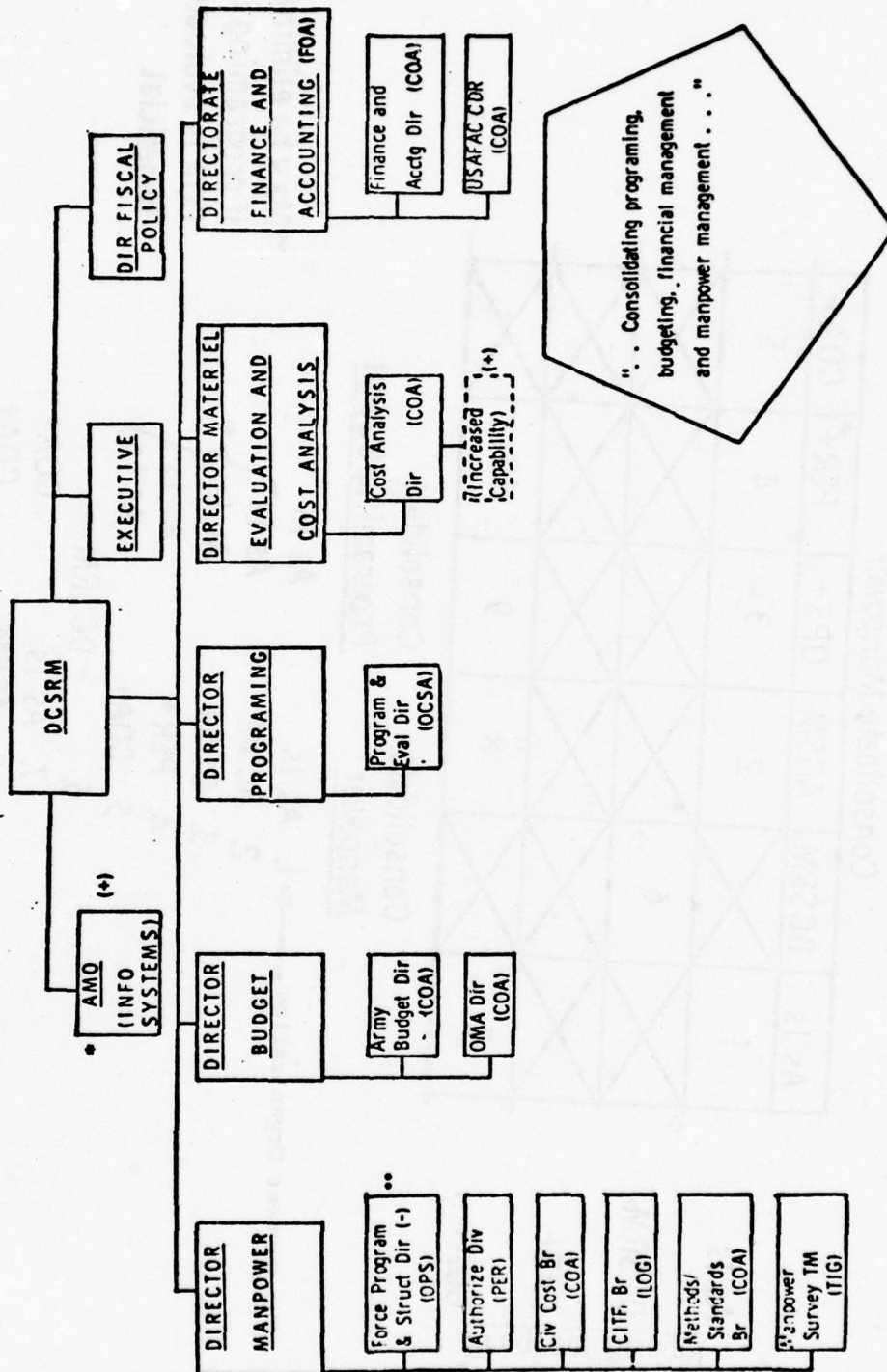
Consolidate Manpower
Consolidate Programming/Budget

The Current Organization → 1. As Is
2. ACSM
3. OPS+
4. PER+
5. COA+
6. - DCSR -
7. As Is
8. ACSM
9. OPS+
10. PER+
As Is
As Is
As Is
As Is
As Is
COA+
COA+
COA+
COA+

May be eliminated if programming in COA is evaluated as beneficial.

Table III-4

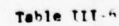
CONCEPTUAL DCSRM



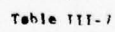
"... Consolidating programming, budgeting, financial management and manpower management . . ."

* Consolidate all systems (OPS, COA, PAE)
 ** Considered to be nucleus for manpower. Pure "FORCE" Development/Plans remain in OPS.

Table III-5



ACSM/AS IS



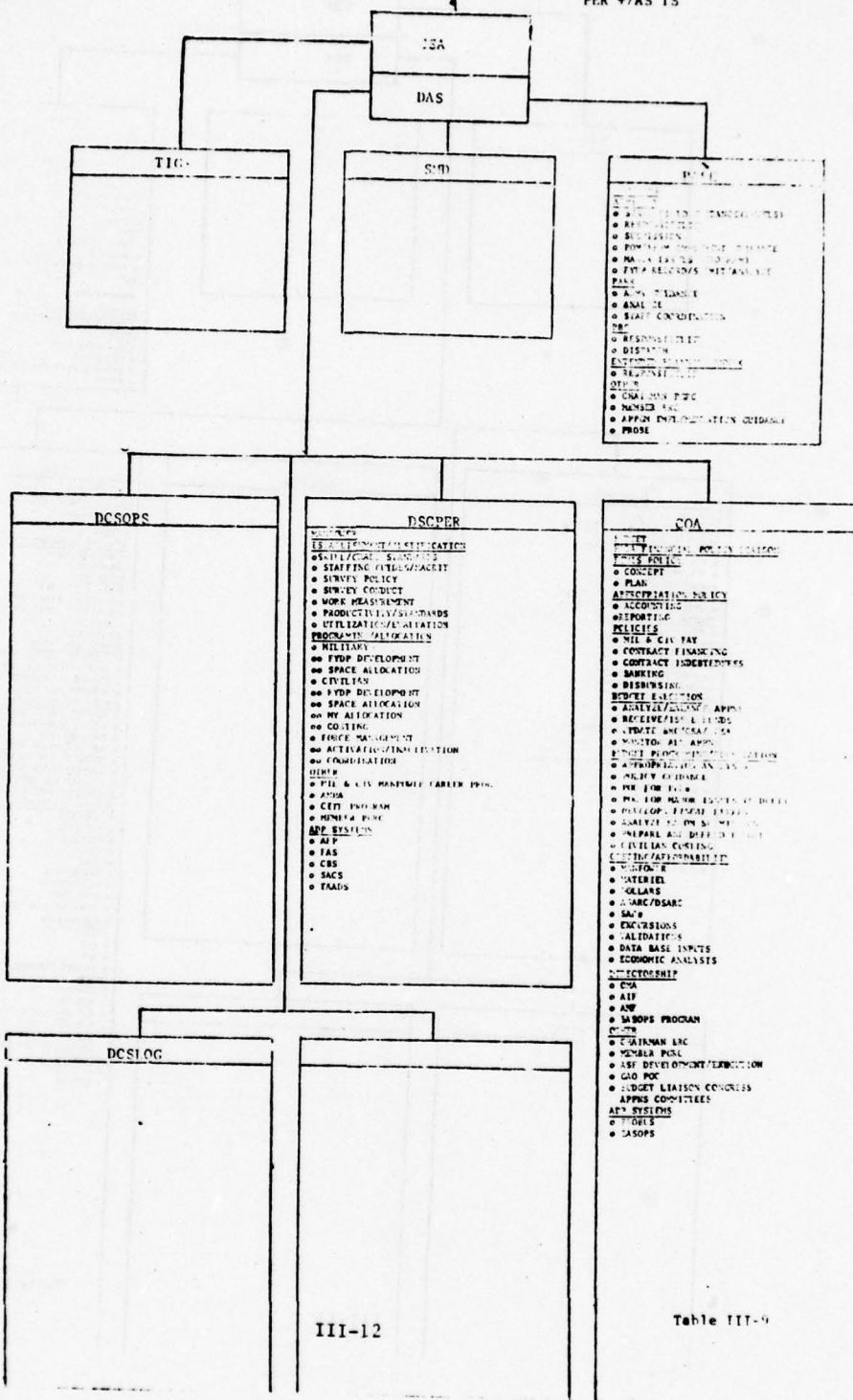
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Table III-8

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PER +/-AS IS

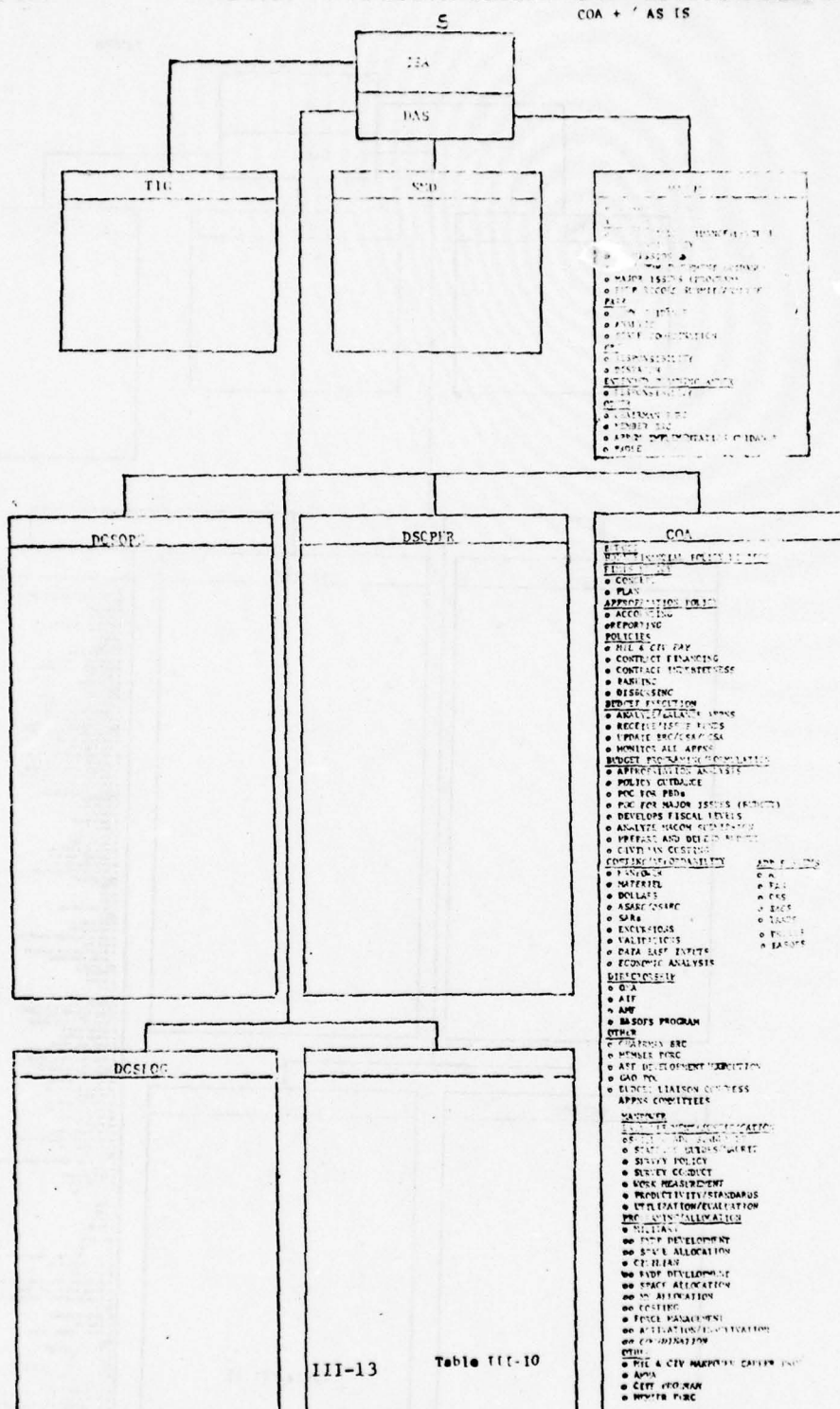


III-12

Table III-9

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COA + AS IS



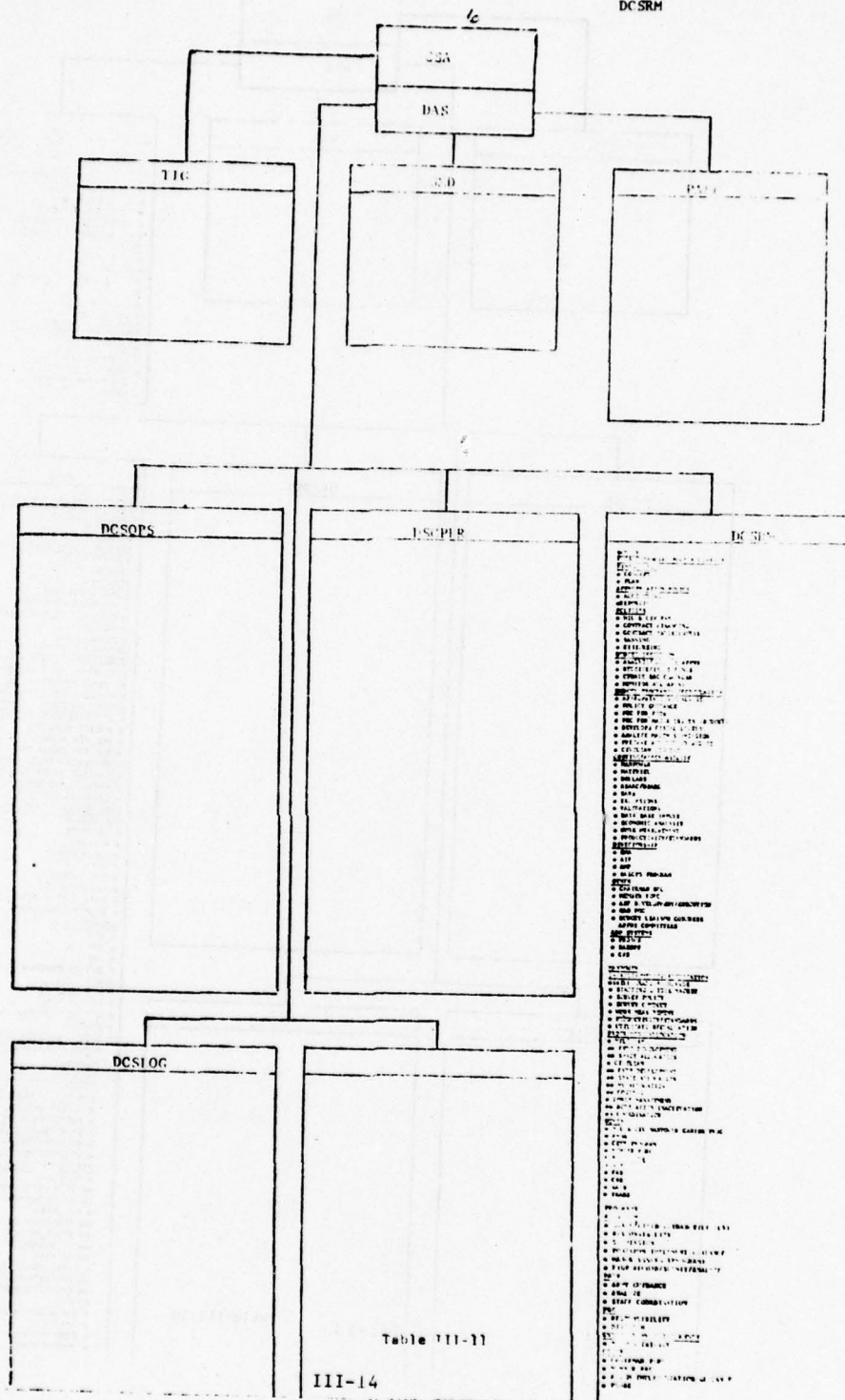
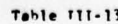




Table III-12

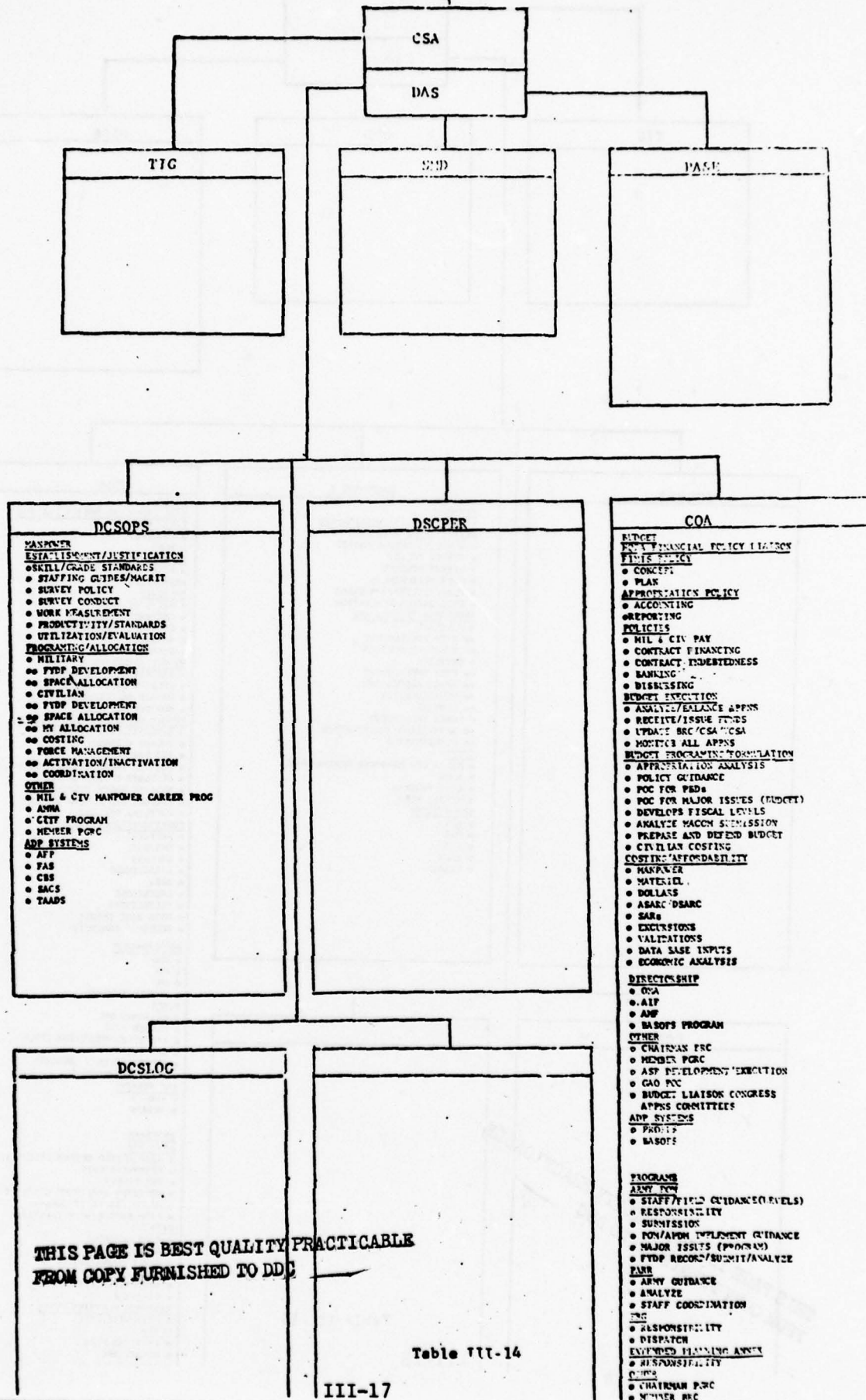
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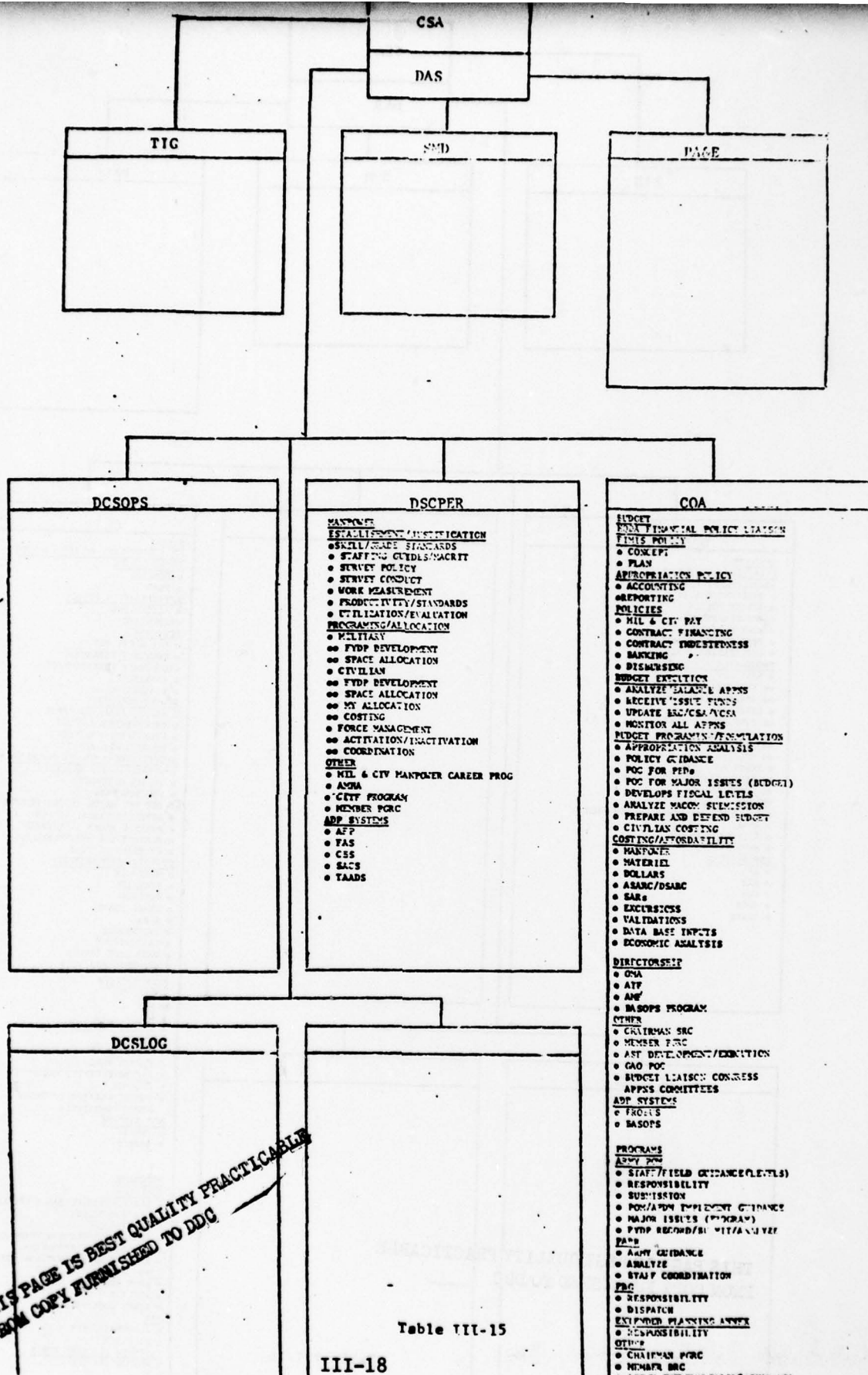
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Table III-14



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Table III-15

On the organization charts certain agencies appear as empty blocks. This indicates that no functional changes need occur in that agency.

3. The organizations shown were used to conduct the scenario analysis exercises and certain of these appeared as the "most likely" choices to help solve the Army Staff resource management problems. But it is important to understand at this point that the organization finally recommended by the RMSG does not match precisely any of those shown. This is because certain procedural and system related changes appeared necessary during the analysis phase. These in turn drove other functional changes not shown on the organization tables. The tables then display those organizations used during the basic scenario analysis which resulted in certain fundamental conclusions and recommendations regarding the placement of functions. A complete description of the results of analysis is given in the next chapter and in that chapter the organization recommended by the RMSG will be discussed.

4. Prior to beginning scenario analysis, one more analysis tool had to be developed--the evaluation criteria.

EVALUATION CRITERIA

1. In order to "measure" the likelihood of success of each of the organizational alternatives a set of concepts or frame of reference of a typical military staff organization with successful resource management (i.e. articulating the need for, and obtaining, sufficient resources from higher authority and managing these resources to achieve success in accomplishing assigned mission) as its goal had to be established. Each of the concepts in the frame of reference can be variously labeled: "attributes," "dimensions," "properties," etc., but for the purpose of the RMSG effort the term Evaluation Criteria was chosen. The criteria were chosen based on what it was with respect to the organization that had to be analyzed and for the ease with which they could be used to assign a relative score to each organizational alternative. The criteria chosen, explained by several key questions, are as follows:

EVALUATION CRITERIA

a. Responsibility

- o Is it fixed/divided/clear?
- o Is there clear responsibility for integrating resources?

b. Guidance

- o Is there ready access to leadership?
- o Is there likelihood of consistency?
- o Is there likelihood of integration?

- c. Functional Compatibility
 - o Are newly assigned functions in harmony with other functions and responsibilities?
- d. Checks and Balances
 - o Is the number excessive--about right?
 - o Is the quality good?
 - o Is there chance for proponency conflict?
- e. Workload Distribution
 - o Is span of control excessive--too little?
 - o Is there PPBS overload/duplication?
 - o Do other agency duties conflict workload wise?
- f. Staff Coordination
 - o Is organization consolidated?
 - o Is there excessive layering?
 - o Is Staff interaction too much?
- g. Information, Tools, Expertise
 - o Will "experts" hear about action?
 - o Will "experts" impact?
 - o Are "experts" available?
- h. Internal Army Impact
 - o Is there organizational compatibility with MACOM's?
 - o Can organization be responsive to commands? To Army Staff, Reserve Components?
- i. Image--OSD/Congress
 - o Can the organization project a coherent/integrated voice?
 - o How about image before GAO, OSD?
- j. Support of overall RM objectives
 - o Can organization complete actions successfully?
 - o Is there potential improvement in the justification process?
 - o Is the organization efficient, (i.e. best use of resources?)

The use of these criteria during scenario analysis is described in the next section.

Conduct of Scenario Analysis Exercises and Scoring Technique

1. A typical scenario analysis exercise began with a detailed description by a member of the RMSG of one of the "typical actions" listed at the beginning of this chapter. If the "spokesman" for a particular exercise found himself weak in certain aspects of the action experts on the staff were called to fill in the details. The RMSG used this approach frequently to ensure complete understanding of the action to be analyzed. Following the discussion of the action, each individual in the study group assigned a score to the current organization (As Is/As Is) in order to establish a base score. Scores from 0 to 10 were assigned by each individual to each of the evaluation criteria described in the preceding section. Scoring rules used for scenario analysis were as follows:

SCENARIO SCORING RULES

- a. Range of possible scores for each criteria: 0 to 10
- b. Score if decision cannot be made one way or the other: 5
- c. "Comfortable" score: 4, 5, 6
- d. "Extreme" scores: 0, 1 and 9, 10
- e. Acceptable deviation from average: 2 points
- f. Score meanings:

With respect to the "action" and PPBS "characteristic" under consideration, and the criteria being evaluated, the organization appears to have the following chance of success:

Extreme	10	Perfect Chance
	9	Outstanding Chance
Positive	8	Excellent Chance
	7	Very Good Chance
Comfortable	6	Good Chance
	5	"Cannot Say" or "Baseline"
	4	Fair Chance
Negative	3	Rather Poor Chance
	2	Poor Chance
Extreme	1	Very Low Chance
	0	No Chance

- g. Any criteria score which deviates from the group average by more than two points must be orally defended and if such a case occurs, all group members must rescore that criteria and continue to do so until the deviation is within 2 points

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2. In subparagraph f of the scoring rules the meaning of the scores and the classifications used are shown. Score meanings are reflections of the probabilistic measure, "chance of success." This is a type of measure with classifications from "No chance" to "Perfect chance." Since the RMSG assigned a numerical score to these classifications the measurement system could be described as a combination of two levels of measurement, ordinal and interval.

3. Subparagraph g of the scoring rules describes what occurred when an individual's score deviated from the "norm." The RMSG referred to this process as a "modified Delphi" approach. RMSG members were asked to individually "score" an organization's chance of success and were collectively shown the scores assigned by the other members of the group. Individuals were then given the opportunity to discuss the intent of "differing" scores and others then had the opportunity to adjust their own score based on their reaction to the logic of the discussion. (In a pure Delphi approach, individuals do not know the identity of the other "scorers", only what their scores are.) This process was time consuming but very beneficial in that members in the group often had to modify their scores when confronted with logic from others who appeared better informed. Another beneficial result of this technique was that at times a key point was considered by only one or two members in the group and the logic was so sound that the remaining modified their scores by taking the point into consideration. When disagreement could not be resolved after reasonable discussion, Staff experts were called in to address the specific issues. Only when the RMSG was in relative agreement did the analysis process continue.

4. After a group evaluation for the current organization was established (the base case), the next organization evaluated was the ASIS/OCA+ (organization #7, the organizational alternative wherein programming is combined with budgeting in COA). If the group evaluation for that organization was higher than the current organization, it was concluded (for the action under consideration) that the consolidation of programming and budgeting was good, and organizations wherein this consolidation did not take place were eliminated from further consideration. The RMSG continued using the modified Delphi technique until a group evaluation was established for each organization not so eliminated. The end result of this "modified Delphi" technique was one overall evaluation per organization for each of the "typical actions." A sample scoring sheet is shown at Table III-16.

Sensitivity Analysis Procedure

1. Sensitivity analysis basically consisted of weighting certain components or characteristics of the PPBS and by weighting certain evaluation criteria. The sensitivity phase of the analysis therefore considered certain events in the PPBS, or certain evaluation criteria, as more "critical" or "important" to the success of DA resource management than others. A sample weighting scheme is shown in Table III-17.

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Manpower → As Is		A	B	C	D	E	F	G	H	I	J
Program		As Is	DCSRM	As Is/COA+	COA+/As Is	OPS+/COA+	OPS+/As Is	PER+/COA+	PER+/As Is	ACSH/COA+	ACSH/As Is
Responsibility	1										
Guidance	2										
Functional Compatibility	3										
Checks and Balances	4										
Workload Distribution	5										
Coordination	6										
Tools	7										
Internal Impact	8										
Image	9										
Objectives	10										
Average											

DATE
ASSOCIATED ELEMENTAL
CHARACTERISTIC

SCORES
SCENARIO

INDIVIDUAL SCORE SHEET

Table III-16

SAMPLE WEIGHTING SCHEME

<u>PPBS PHASE</u>		<u>PHASE COMPONENT</u>	<u>PHASE CHARACTERISTIC</u>	
<u>I. Planning</u>	(2)	A. Force Planning	(3)	o Total Army Analysis (TAA) (7)
				o Periodic Force Changes (3)
		B. Materiel Planning	(3)	o Materiel Acquisition Planning (5)
				o Logistic Planning (5)
<u>II. Programming</u>	(3)	C. Installation Planning	(3)	o CSJF/Base Closures (5)
				o CINF (5)
		D. Other	(1)	o PCD's (10)
		A. Guidance	(4)	o PCM Preparation (1)
<u>B. Formulation</u>	(2)			o CSA Guidance (Worldwide) (4)
				o MACOM Program Guidance (5)
				o PARR Processing (4)
		C. Defense	(4)	o Program Review (4)
<u>C. Defense</u>	(4)			o Program "Packaging" (2)
				o Issue Cycle (4)
				o "Framing" of the Program
				Major Issues (6)

Scores for typical actions
can be changed by weighting
criteria during sensitivity
analysis.

III. Budgeting (3)		
A. Guidance (1)	o MACOM Guidance	(10)
B. Formulation (3)	o Preparation of Appropriation Director's Budgets	(7)
C. OSD/OMB Defense (3)		
	o Preparation of the ABE to OSD	(3)
	o PBD (DPS) Processing	(4)
D. Congressional Defense (3)		
	o Budget Issues	(4)
	o President's Budget Preparation	(2)
	o Congressional Testimony	(6)
	o Congressional Questions	(4)
IV. Execution (2)		
A. Fiscal (2)	o FADS	(3)
	o Reprogramming	(7)
B. Manpower (4)	o Manpower Transactions & Changes	(10)
C. Other (4)		
	o DAB Monitoring	(5)
	o War/Emergency	(3)
	o Foreign Military Sales	(2)

Scores for typical actions can be changed by weighting criteria during sensitivity analysis.

Table III-17 (cont.)

Possible combinations of weights total in the millions so obviously an ADP model was necessary to accomplish this phase of the analysis.

2. The results of the analysis process, to include sensitivity, are discussed in the next chapter.

IV. RESULTS OF ANALYSIS

GENERAL

The scenario analysis exercises described in Chapter III resulted in the identification of key organizational changes that should be made in the Army Staff. The exercises also assisted in establishing the framework for an Army wide Resource Management Policy and the foundation for procedural changes which are needed in order to enhance resource management review at DA level. This chapter describes the results of that analysis in terms of the organizational alternatives described in the previous chapter. Initial and detailed scenario analysis results are presented, followed by those resulting from sensitivity analysis.

RESULTS OF INITIAL ANALYSIS

1. Thirteen scenarios were used in the initial analysis; and they generally resulted in the elimination of several organizational alternatives. These scenarios, which are listed at table IV-1, represented primarily program/budget type actions, and all but one involved manpower. It was mentioned in Chapter III that if during scenario analysis, programing in COA was evaluated as beneficial, then those organizations wherein that consolidation did not take place could be eliminated. This happened in all of the initial thirteen scenarios. Therefore, one conclusion made early in the study was that combining programing and budgeting in COA was efficient and beneficial. Although this conclusion was based primarily on the first thirteen scenarios, it was tested continually in later scenarios with no change in the basic conclusion. One of the principal reasons why the combination of programing and budgeting was evaluated as beneficial was the clear need for a better means of tying plans, program priorities and budgets together in a goal oriented, justifiable manner.

ACTIONS USED DURING INITIAL ANALYSIS

- o Activation of Chemical Units
- o Transfer of National Advertising for Army Reserves
- o OSD/Congressional Civilian Reduction in CY 77
- o Program Review for Development of the FY 79 - 83 Program
- o FY 79 - 83 USAREUR PARR Position Narrative - "ALO INCREASE"
- o Initial Issue of Funds for FY 78
- o Budget Execution Review, FY 77 Budget

- o CITF - Contracting Base Operations at Fort Gordon
- o Preparation of the FY 80 - 84 APPGM (Force Packaging Methodology, etc)
- o Preparation of the CY 77 May PBG
- o Processing the CY 77 COBE's
- o BRC Budget Review for the FY 79 ZBB to OSD
- o Manyear Utilization PBD, FY 78 Budget

Table IV-1

2. Many of the initial scenarios illustrated how poorly the DA Staff is currently organized for resource management and how these organizational weaknesses are often obscured by personal effort and dedication. The RMSG found evidence of "sweat shops" throughout the staff where excessive workload was the rule rather than the exception. This is particularly true in Staff program/budget shops which often simultaneously manage program development, budget defense and current year execution for specific fiscal programs.

3. The positive evaluation of programing combined with budgeting caused the RMSG to drop the following organizations from further considerations:

<u>CONSOLIDATE MANPOWER</u>	<u>CONSOLIDATE PROGRAMING/BUDGETING</u>
ACSM	ASIS
OPS+	ASIS
PER+	ASIS
COA+	ASIS

Specific results for the remaining six alternatives follow.

4. The initial range of evaluations pertaining to the remaining six alternatives are shown at Table IV-2. These evaluations indicate that the "chance of success" of the current organization with respect to the initial thirteen scenarios is not believed to be as good as any of the others shown. The evaluations also show that unless manpower is consolidated (it is not in the ASIS/COA+), little improvement results.

INITIAL RANGE OF ORGANIZATIONAL EVALUATIONS
(Based on Thirteen Scenarios)

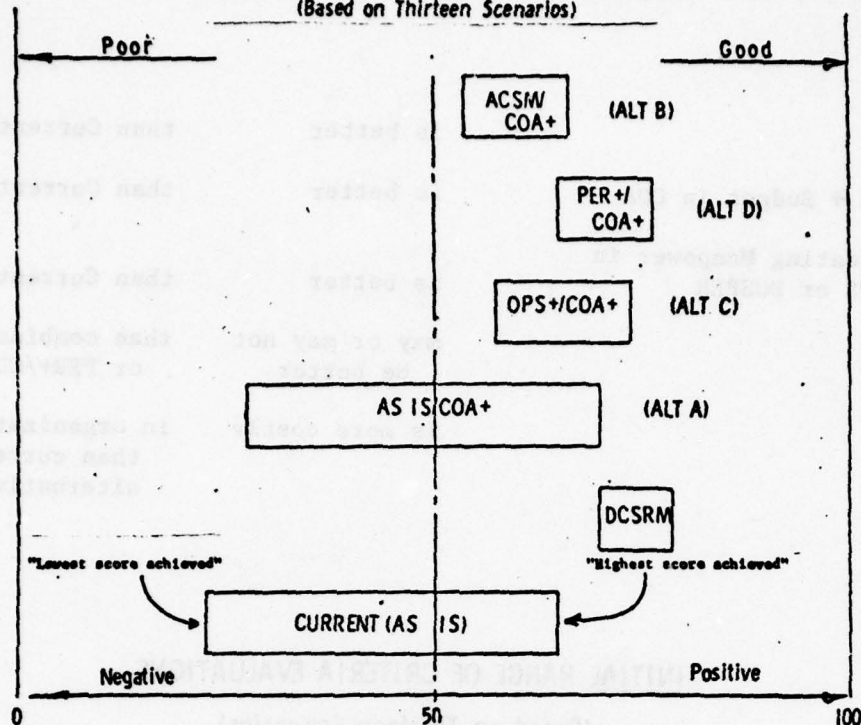


Table IV-2

5. Of the remaining four alternatives (the DCSRM and alternatives B, C, and D) only three were considered feasible and were retained for detailed evaluation. Alt B, the ACSM/COA+, was eliminated because it was considered highly impractical to organize a separate staff agency for the sole purpose of manpower management. The overhead for such an agency would be an excessive drain on the already limited manpower resources on the Army Staff.

6. At table IV-3 the range of evaluations by criteria are shown for the current organization and for the three alternatives that "survived" the initial analysis. These evaluations indicate that the current organization has serious weaknesses with respect to certain criteria like responsibility, workload distribution and impact on commands. The evaluations also show that any of the other three alternatives could be adopted and substantial improvement would result. The precise numbers shown are immaterial, for it is the comparative evaluation that is important and comparatively, the results of conducting thirteen program/budget related scenarios can be summarized as follows:

DCSRM	is better	than Current Organization
Program + Budget in COA	is better	than Current Organization
Consolidating Manpower in DCSOPS or DCSPER	is better	than Current Organization
DCSRM	may or may not be better	than combination OPS+/COA+ or PER+/COA+
ACS(M)	is more costly	in organization overhead than current or alternative organizations

INITIAL RANGE OF CRITERIA EVALUATIONS

(Based on Thirteen Scenarios)

<u>Evaluative Criteria</u>	<u>AS IS</u>	<u>DCSRM</u>	<u>OPS+/COA+</u>	<u>PER+/COA+</u>
	0 10	0 10	0 10	0 10
Responsibility	3 7	6 8	6 8	6 7
Guidance	2 8	6 8	6 8	6 7
Functional Compatibility	3 7	5 8	5 8	6 8
Checks and Balances	4 7	5 7	6 7	5 7
Workload Distribution	3 5	5 7	4 5	5 7
Coordination	2 5	7 8	4 7	6 7
Tools	2 5	7 8	6 7	6 8
Internal Impact	1 6	7 8	6 7	6 7
Image	1 7	5 7	5 7	5 8
Objectives	2 6	7 8	6 7	6 7

Table IV-3

RESULTS OF DETAILED ANALYSIS

1. During the detailed analysis phase of the study a total of 46 additional scenarios were used to evaluate the relative merits of the three remaining alternatives (a complete list of scenarios used was shown in chapter III, table III-3). The location for the consolidation of manpower and whether training management should be consolidated in DCSOPS were the two major considerations during the detailed analysis phase. The range of evaluations for the remaining alternatives is displayed at table IV-4. Just as in the initial analysis, these evaluations show that any of the three alternatives would be an improvement over the current organization. However, the evaluations indicate that there are negative aspects associated with placing manpower under OCA (the DCSRM)). It was believed that manpower in COA would result in excessive emphasis on civilian space/dollar allocation. (A commander only needs dollars for spaces he actually intends to fill, not for those he intentionally keeps empty.) Also, dollars can be allocated with great speed compared to the time it takes to document and get proper authority to fill an allocated space - and the dollars are only needed when the space is filled. Also, manpower in COA was evaluated low whenever emergency or wartime scenarios were conducted. During these situations the face/space connection becomes critical. Empty spaces do no good - and it is essential to know where they are. The alternative which placed manpower in DCSPER, (PER+/COA+) on the other hand continually performed well because the managing of "faces" and "spaces" would be accomplished in one agency. This was believed more essential to successful resource management than managing dollars and spaces, or force structure and spaces, in one agency. The latter two interfaces were believed to be just as critical with respect to effective resource management but could be solved by improved coordination and ADP system interfaces, while improvements needed in face/space management could only be gained by managing the two from one agency. During the detailed analysis phase the RMSG concluded that manpower and comptroller functions (the dollar/space alternative) were not compatible in that the controls and processes associated with the two functions were not at all similar.

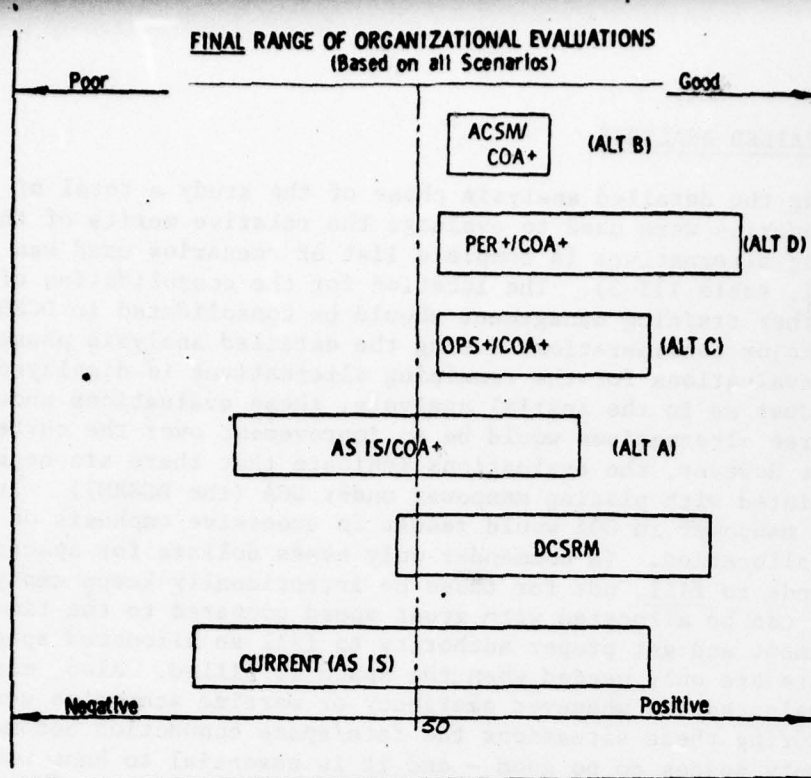


Table IV-4

2. At Table IV-5 final evaluation by criteria are given. These show that the PER+/COA+ performed better than the other possibilities. Again it was the near year, emergency, or war time scenarios that caused this to happen. As long as the scenarios dealt with the management of empty spaces, the DCSRM or the OPS+/COA+ scored well but as soon as faces became a consideration, as in the OSD/Congressional Civilian Reduction in CY 77, those two organizations did not perform as well. (In that action, knowledge of filled and empty spaces became critical. No RIF was permitted and the reduction was absorbed through spaces not filled and attrition.) In such an action, the manpower and personnel reporting systems have to complement one another if smooth response is to be expected.

Evaluative Criteria	AS IS		DCSRM		OPS+/COA+		PER+/COA+	
	0	10	0	10	0	10	0	10
Responsibility	1	8	5	9	5	8	5	9
Guidance	2	8	4	9	4	8	5	9
Functional Compatibility	3	9	4	8	4	9	5	9
Checks and Balances	3	7	5	8	4	7	4	9
Workload Distribution	2	8	4	8	4	8	4	9
Coordination	2	8	4	9	4	8	4	9
Tools	2	6	4	8	4	7	5	10
Internal Impact	1	6	5	8	4	7	4	9
Image	1	8	5	9	5	8	5	9
Objectives	2	7	6	8	5	7	5	9

Table IV-5

3. Throughout the analysis process many observations were made pertaining to the relative merits of the DCSRM and the options of placing manpower in either DCSOPS or DCSPER. These observations are shown beginning at Table IV-6 and ending with IV-8. With respect to the DCSRM the pros and cons indicate that there may be a better solution for overall resource management than combining programing, budgeting and manpower all in one agency, and in fact the best solution lies not in consolidating incompatible functions like manpower and dollar management, but in consolidating compatible functions and then giving functional proponents the authority and resources to match their responsibilities. If this is done then the Comptroller (DCSRM, Resource Coordinator or whatever) ends up with no proponency since none of his functions require authority over the direct management of resources. This concept will be discussed in considerable detail in later chapters.

PRO	CON
<ol style="list-style-type: none"> 1. Emphasizes \$/Manpower Space relationship. 2. Combines \$/Manpower Space allocations in one office. 3. DA Staff would be like TRADOC/USAREUR. 4. Nonproponent would be allocating manpower. 5. Decreases duplication of effort (program/budget/manpower). 6. With respect to manpower, good solution from a program development/budget formulation perspective. 7. Removes a wartime incompatible function from DCSOPS. 8. Good solution for peacetime environment. 9. Coordination problems in program development/budget formulation' minimized (one stop shop). 	<ol style="list-style-type: none"> 1. Makes DCSRM a functional manager (MANPOWER). 2. Puts both Manpower (considered a function) and RMR* responsibility in same office. 3. Manpower function not fully compatible with Financial Management. 4. May be an overload of COA at DA level. 5. Manpower may detract from key FM and RMR responsibility. 6. Does not consider FMIP importance, requirements. 7. Continues Face/Space division by organization. 8. Continues need for clear Face/Space definition. 9. Discounts major differences between FUND and Manpower management and control systems. 10. Could force Comptrollers to learn Manpower Management as a second major skill. 11. Could force Financial and Manpower Management Career fields to be coordinated or combined. 12. Could result in Manpower decisions based largely on \$ matters. 13. Leaves DCSRM out of key staff actions re resources. 14. Further false concept that \$ and Manpower = Resources. 15. Separates manpower management from force development. 16. With respect to manpower, not a good solution for solving near year problems. (face impact)

* RMR - Resource Management Review

Table IV-6

PRO

CON

1. Combines Faces and Spaces.
2. Makes DCSPER total Manpower Manager of the Army.
3. Provides for Manpower allocations in terms of complete face/space equation.
4. Enables direct tie between Manpower, Personnel, and related systems.
5. Keeps COA free of functional responsibility.
6. Permits RMR in COA as check on Manpower Manager in DCSPER.
7. Manpower and Personnel functions are completely compatible.
8. Manpower and Personnel functions are complementary.
9. Costing of both Military and Civilian manpower can be consolidated within DCSPER.
10. Brings CPD and MILPERCEN into all important Manpower matters.
11. Provides reasonable workload level to both PER and COA.
12. Puts both PER and COA in good shape for war/emergency transition.
13. Ensures people get consideration in all Manpower issues, policies, decisions.
14. Allows grades and skills to get high priority consideration in manpower decisions.
15. Recognizes Defense Manpower Report findings.
16. Recognizes critical role of Manpower Manager in \$ costs of Army.
17. Provides best opportunity to improve manpower staffing criteria and guides through central direction.
18. Removes wartime, incompatible function from ODCSOPS.
19. Provides COA a solid package of Budget, Program, RMR, and CA, without functional manager responsibilities.
20. Provides guard against "free labor" aspect of Military Manpower.
21. Enables proper control of RMR.
22. Gives Army a knowledgeable voice at OSD/Congress on all aspects of Manpower management.
23. Permits coordination of Personnel and Manpower career development fields, or combination.
24. Puts DCSPER into forefront of most DA Staff resource actions at a point where great influence is exercised.
25. Complements Army OE program

1. Manpower allocator is a proponent.
2. Continues dollar/space division by organization.
3. Separates manpower (space) management from Force Development (Program force/budget force disconnects). Force developer does not have capability to ensure force is manned.
4. Personnel availability, rather than requirements could drive system.

PRO	CON
<ol style="list-style-type: none"> 1. Emphasizes Force Structure/Space relationship. 2. Provides for a single Manpower Manager at DA Staff level. 3. Assigns Programming and Budget functions. 4. Frees CDA of functional responsibility. 5. Permits CDA Resource Management Review (RMR) in resource oversight role. 	<ol style="list-style-type: none"> 1. Perpetuates Space/Face disconnects in manpower management process. 2. Manpower allocator is a key mission proponent. 3. Continues Dollar/Space division. 4. Provides for total DCSOPS responsibility for a wartime incompatible function resulting in an OPS overload. 5. Does not recognize concerns expressed in Defense Manpower Report findings. 6. Provides no single Army voice to OSD/Congress on all aspects of manpower and personnel management. 7. Does not ensure people get consideration in all manpower issues, policies, decisions. 8. Continues split of military manpower management and MPA appropriation directorship responsibilities. 9. No improvement to concept of "free" military labor or borrowed military manpower (RM). 10. Continues difficult manpower/personnel coordination with MILPERCEN and Civilian Personnel Directorate (ODCSPER).

Table IV-8

SENSITIVITY ANALYSIS

1. The results of the detailed scenario analysis indicated that the question - "where should manpower be consolidated?" was the most difficult to answer. For this reason sensitivity analysis was confined to the manpower question - more specifically should manpower be consolidated in DCSPER, DCSOPS or COA (the DCSRM)? To obtain more information relative to the location for the manpower consolidation, 12 manpower related actions were chosen for sensitivity. These are shown at Table IV-9.

ACTIONS USED FOR SENSITIVITY ANALYSIS

<u>ACTION #</u>	<u>ACTION TITLE</u>
2	TOE Change
5	OSD/Congressional Civilian Reduction
8	USAREUR PARR Request "ALO Increase"
16	CITF Ft Gordon Contracts
18	FY 80-84 TAA
21	Preparation of the FY 80-84 APPGM
27	Preparation of the May 77 PBG
32	Budget Major Issues
36	Lieberman's Questions FY 78 OMA Budget
43	RC Civilian Technicians
44	Outbreak of Hostilities
46	OSD Directed Civilianization of Military Positions

Table IV-9

2. Many sensitivity weighting schemes were possible and several were used, however, the results of only three such weightings is presented. A single weighting scheme was used for the PPBS phases, components and characteristics while three schemes were used for the evaluation criteria. PPBS weightings selected were shown in the previous chapter (Table III-13), and the three criteria weightings are at Table IV-10. The sensitivity analysis gave some interesting results particularly with respect to varying weights for evaluative criteria.

<u>CRITERIA WEIGHTING FOR SENSITIVITY ANALYSIS</u>			
<u>EVALUATION CRITERIA</u>	<u>WEIGHTING OPTION 1</u>	<u>WEIGHTING OPTION 2</u>	<u>WEIGHTING OPTION 3</u>
1. Responsibility	1.5	2.0	.5
2. Guidance	1.0	.5	.5
3. Functional Compatibility	1.0	1.0	1.5
4. Checks and Balances	.5	.5	1.5
5. Workload	1.0	1.0	2.0
6. Coordination	1.5	1.5	2.0
7. Tools	1.0	.5	.5
8. Internal Army Impact	.5	1.5	.5
9. Image	1.0	1.0	.5
10. Support of RM Objectives	<u>1.0</u>	<u>.5</u>	<u>.5</u>
	10.0	10.0	10.0

Table IV-10

3. The graphic at Table IV-11 displays the % change in overall "ratings" for the three organizations resulting from the three weighting schemes. What this graphic shows is that when various weights are assigned to evaluation criteria and PPBS weightings are held constant; scores fluctuate radically for the DCSRM, less so for the OPS+/COA+ and least of all for the PER+/COA+. This supports what the RMSG experienced throughout the analysis process, that although the DCSRM and the OPS+/COA+ were attractive alternatives in certain manpower situations, and with respect to certain criteria, they both demonstrated negative aspects. The PER+/COA+ organization on the other hand received more consistent ratings for all criteria, and with respect to manpower scenarios, there were consistently good ratings. The PER+/COA+ performed better during sensitivity than either the DCSRM or the COA+ and supported the "manpower in DCSPER" option.

SUMMARY OF RESULTS

1. All scenarios demonstrated that the DA Staff is currently hindered in resource management by both organization and management problems. With respect to organization, the scenarios dealing most heavily with program/budget actions showed that organizational separation of those two functions was inefficient and resulted in considerable duplication of effort. Also with respect to organization, the scenarios clearly indicated a need to consolidate manpower functions and that dollar/space and force/space coordination was still needed, but was easier than face/space coordination. Training related scenarios indicated that there was a critical need for a Director of Training on the DA Staff. The RMSG also found, as a result of scenario analysis, that there was a clear need for a Resource Management Review process and an Army-wide Resource Management Policy. All of this meant that none of the organizations being evaluated were precisely what was needed, but that the PER+/COA+ alternative, with some minor refinement, was organizationally, the most workable solution. The scenarios, therefore, resulted in the conclusion that the "solution" should be in three parts, organizational changes, a review process and an RM Policy.

2. The organizational part of the "solution" (the refined version of the PER+/COA+ places programing in COA, manpower in DCSPER and Training in DCSOPS; a summary organizational chart is at Table IV-12. In addition (and this refers to the "review process") the "solution" requires that COA be purged of all functional proponentcy (OMA, BASOPS, P-9 and N Account) so that COA can conduct cross-functional Resource Management Review in a nonproponent environment. The reassignment of these "purged" functions (to include Training to DCSOPS) is shown at Table IV-13. The "review process" part of the solution also requires the establishment of an Army Resource Management Assistance and Assessment program in TIG to aid in Army-wide Resource Management Review. The chart at Table IV-14 summarizes the major changes recommended.

SENSITIVITY RESULTS
(% change in "scores" from base*)

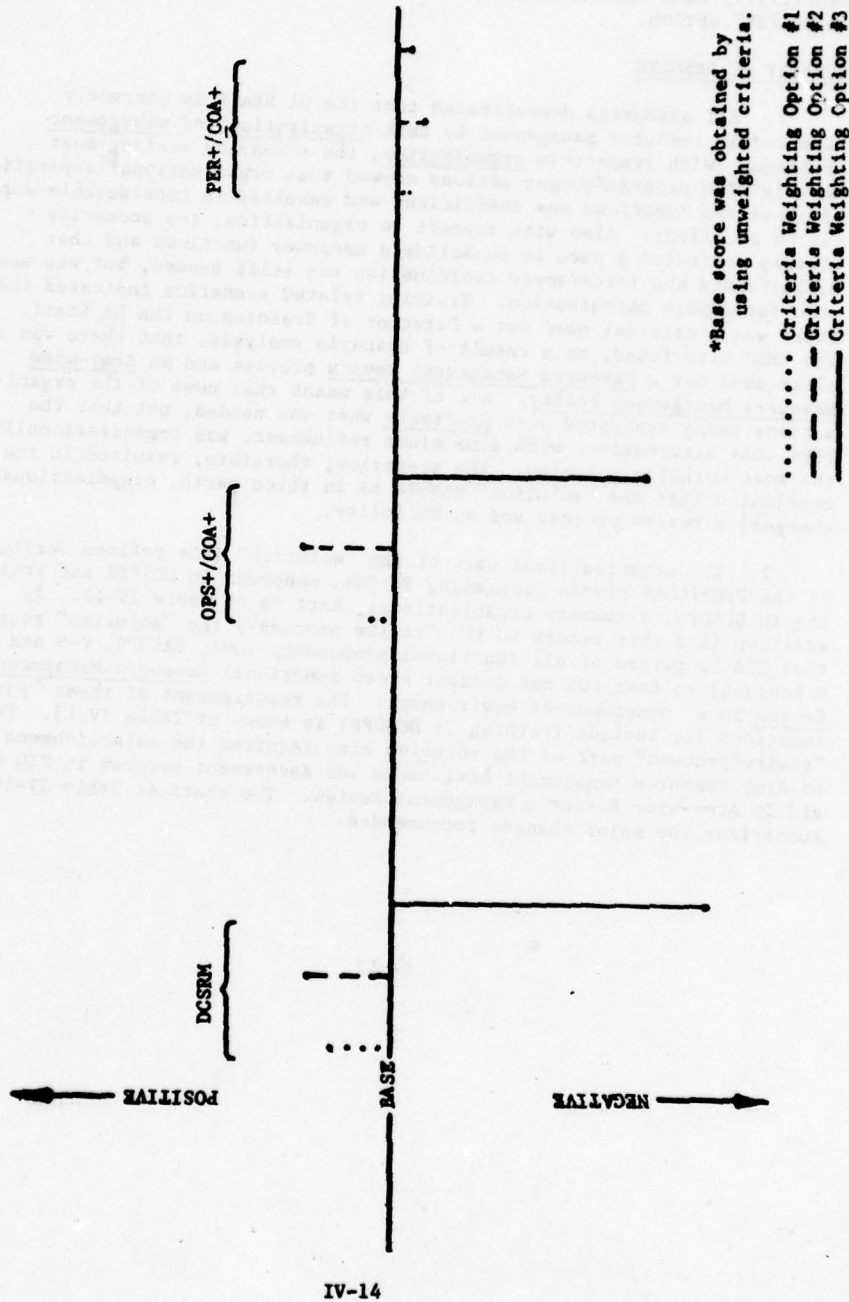
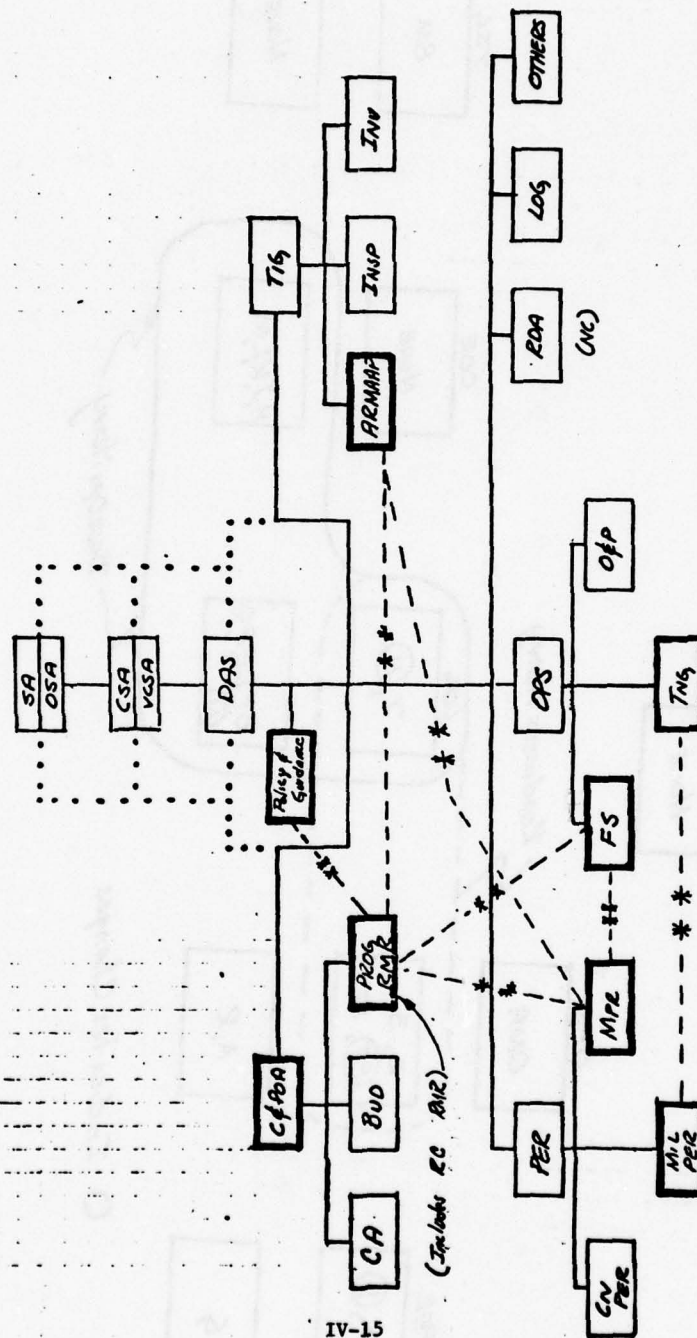


Table IV-11

ORGANIZATIONAL PART OF "SOLUTION"
(A refinement of the PER+/COA+)



C&POA = Comptroller and Programmer
of the Army.

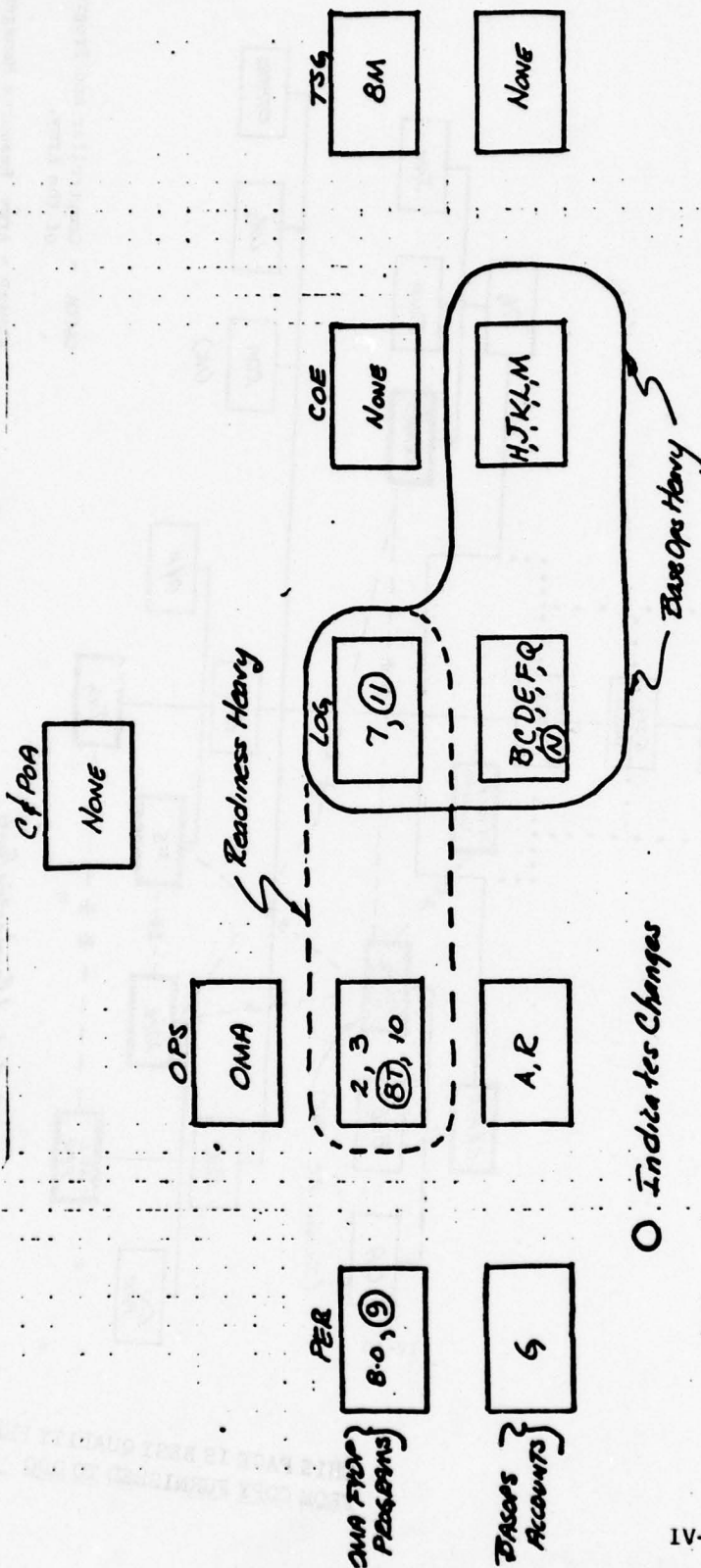
ARMAP = Army Resource Management
Assistance and Assessment
Program.

Critical Coordination Points
... Special Status (arrow)

Table IV-12

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PROPOSED OMA/FYDP PROGRAM
AND BASOPS RESPONSIBILITIES
Resulting from "Purging COA" and Training to DCSOPS)



SUMMARY OF FUNCTIONAL/PROGRAM CHANGES RECOMMENDED			
STAFF ELEMENT	ADD	PA&E	DEOP
DCSA	Policy and Guidance Office	Staff Survey	
DCSPER	Manpower Management Methods and Standards Civilian Personnel Casting P-9	Individual Training P-8T	
DCSOPS	Individual (Unit) Training P-8T	Manpower Authorizations	
DCSLOG	Director, AIF Director, BASOPS Account "N"		
COA	Army Programming RM Review RM Policy (Army) ARMAAP (Program)	Director, OMA Director, BASOPS P-9 Account N Civilian Personnel Casting Methods and Standards	
TIG	ARMAAP (Initiation) Staff Survey		

Table IV-14

THE MAJOR ISSUES

In the remaining chapters several topics related to RMSG recommendations will be presented in considerable detail. These are the areas where specific decisions must be made if resource management is to be improved on the Army Staff. These topics (the "Major Issues")* are as follows:

- a. Manpower Management
- b. Army Programing
- c. Resource Management/Role of COA
- d. Training Resources and Responsibilities
- e. Decisionmaking/Role of DAS
- f. Army-wide Resource Management Policy
- g. Career Management Impacts
- h. Implementation

The next chapter covers the first Major Issue, "Manpower Management."

* NOTE: In chapter XIX, "DA Staff Decisions", the reduction of this initial list of eight major issues to five will be discussed.

CHAPTER V. MANPOWER MANAGEMENT

BACKGROUND

1. Sources. Over the past few years, because of Army Staff organization changes, Congressional/OSD/OMB interest in manpower, and ever tightening budget constraints, manpower management has been a subject of controversy and study. Accordingly, the RMSG was able to locate numerous documents, studies and reports, both internal and external to the Army, from which to draw information. Some of the key sources were as follows:

a. Staff Manpower Function Responsibility Study: This study, conducted in 1976 and published in early 1977, identified major problems in the manpower area and recommended organizational changes and specific management actions. Thrust of the recommendations were to consolidate certain manpower functions into one Staff agency. That study group, because its scope was limited to manpower, recommended that the DAS direct the conduct of a second study to determine the desirability and feasibility of a DCSRM organization. This latter recommendation, when considered in light of other staff problems, was the genesis of the RMSG. The manpower management study recommendations were approved in concept, but further action was delayed pending the outcome of the RMSG efforts. A copy of the 1976 study is on file in the office of the Director of Management.

b. While the 1976 manpower study was a major source of information, it was by no means the sole source. The following documents provided great insight into the problems concerning manpower management: The Defense Manpower Commission Report; recent GAO and AAA audits; 25% Reduction Functional Work Group report; 1974 Reorganizational files; several old studies dating back to at least 1965; and General Research Corporation (GRC) documents. These sources and all others used are formally listed in the bibliography.

2. Manpower Functions

a. The definition of manpower management as used throughout this study refers to the functions related to the determination, justification, allocation and documentation of "spaces," rather than "faces" which will be defined as personnel management. The specific considerations which must be made during the manpower management process are shown at Table V-1.

b. In view of the potential confusion surrounding the definitions, the RMSG found it necessary to develop a list of major functions and tasks it considers to be the heart of the manpower management process. These major tasks and functions, described in terms familiar to persons involved in manpower management, are shown in table V-2 on a continuum

MANPOWER MANAGEMENT CONSIDERATIONS

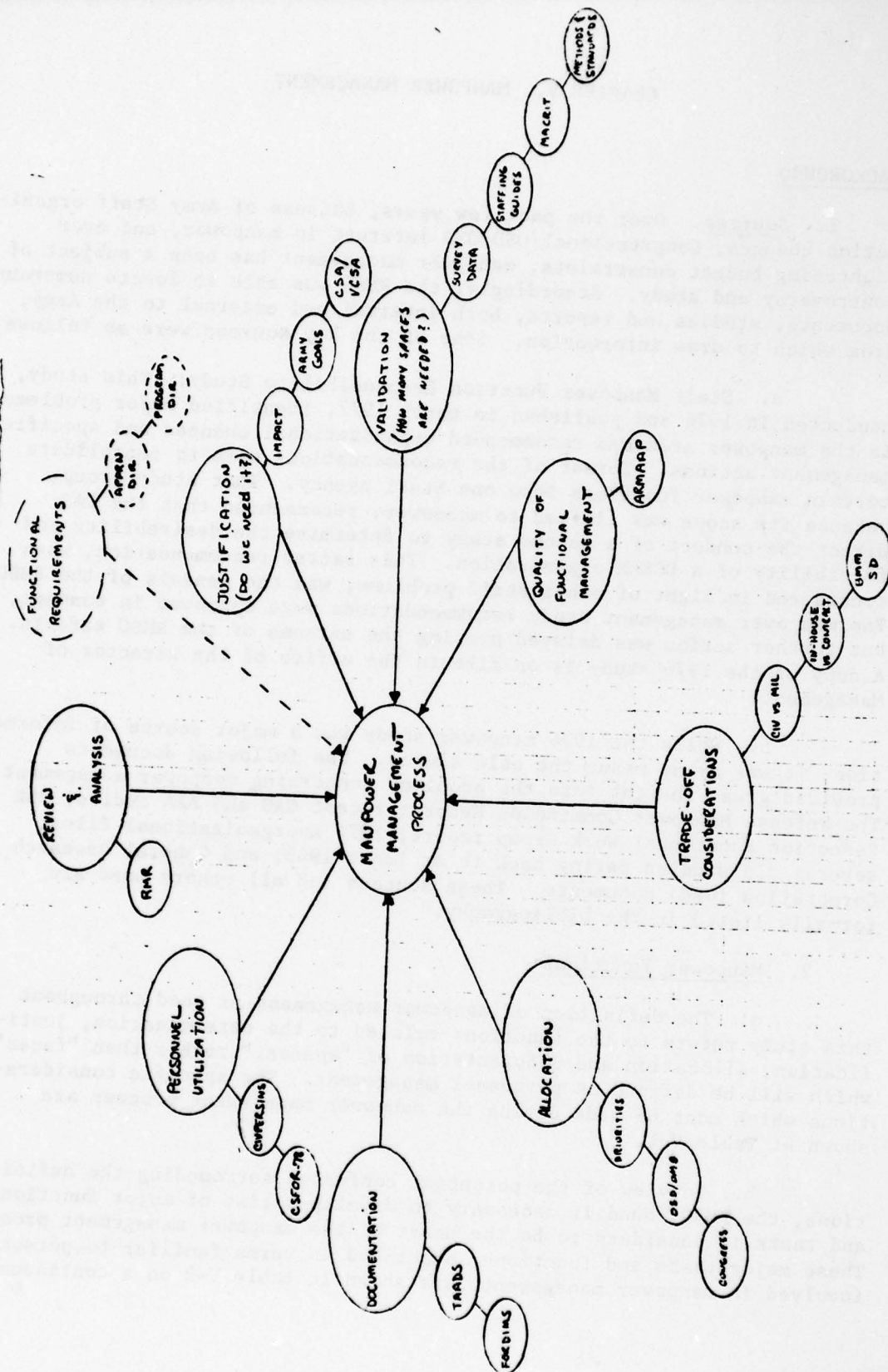


Table V-1

ranging from pure force planning in the left column through manpower management in the center column to obvious personnel considerations in the right column:

<u>DETERMINATION OF FORCE REQUIREMENTS</u>	<u>MANPOWER MANAGEMENT</u>	<u>PERSONNEL MANAGEMENT (ASSET ACQUISITION, INVENTORY MAINTENANCE)</u>
Intelligence Threat Analysis Optimum Force Development Equipment, Systems, Doctrine Associated Missions Force Plans/Structure/Program Organization	<u>Develop/Justify Manpower Needs</u> <ul style="list-style-type: none"> o Skills/Grade Standards o Staffing Guides/Macrit o Manpower Survey Policy o Manpower Survey Conduct o Work Measurement o Requirements Determination <u>Distribute/Allocate Manpower</u> <ul style="list-style-type: none"> o Military Manpower <ul style="list-style-type: none"> oo Mil FYDP oo Allocate Spaces oo Cost o Civilian Manpower <ul style="list-style-type: none"> oo Civ FYDP oo Allocate Civ Spaces oo Costing o Accounting Systems <ul style="list-style-type: none"> oo AFP oo FAS (Force Management also) oo CBS (Cost Also) o EAADS <u>Other</u> <ul style="list-style-type: none"> o Manage Civilian Manpower Management Career Program 	<u>Procurement of Assets (Recruiting)</u> Training - Development Separation - Attrition (All Associated People Type Activities, Pay, Benefits, Health, Welfare, etc.) Determine Grades/Skills

Table V-2

c. Clearly, manpower management must be linked to the program and development process of the Force Structure. The Force process drives the need for manpower; and conversely, in the present environment, the availability of manpower constrains the size of the Force. Also, manpower shortages must be articulated and justified to the Congress, OSD and OMB in terms of the impact on force size, readiness, and capabilities.

d. Equally important, manpower management must be associated closely with personnel management. The Army's ability to accomplish realistic space reductions, space increases, or transfers between commands depends almost solely on personnel (face) considerations, (e.g., enlistment agreements, RIF procedures, and PCS/TDY capabilities.) Decisions relative

to allocation, manning, and management of spaces are dependent upon personnel utilization data, capability of the MILPERCEN to fill requests, and the local civilian hiring situation. Similarly, Congress tends to view manpower management and personnel management as one and the same and considers personnel dollars and policies when establishing manpower ES limitations.

e. Manpower management also has a distinct relationship to Financial Management. The dollars allocated for civilian manpower must be synchronized with space allocations, and reductions in personnel dollars (military or civilian) can necessitate ES reductions. Civilian manpower dollars under current procedures can be used for other purposes, thereby, providing flexibility to MACOM and installation commanders. Allocation of military and/or civilian ES and associated manpower dollars is not the whole picture. Commands must also receive "other" dollars in order to accomplish a particular task. Accordingly, manpower management, especially allocation, must be coordinated as closely with financial management as it is with force and personnel management. The close link of manpower functions with force structure, personnel management and financial management, within the complete manpower management process, is shown at table V-3.

f. Historically, demands of the moment, thrust of the Army and perhaps key personalities have caused the manpower management functions to be shifted from one major Staff agency to another. After WW II, the Comptroller allocated and controlled civilian manpower spaces, and the ODCSPER managed military manpower. Then, from 1947 to 1963, all manpower management was consolidated in ODCSPER. Presumably, when conceived, these organizations were appropriate, but problems developed and organizational changes were made. Comptrollers were accused of thinking only dollars and not of the good of the Army or its personnel. Personnel managers were accused of thinking only of personnel management, responding only to the personnel inventory, and not to the demands of the force analysis process. While there are lessons to learn from history, times have changed and the near term conditions are most relevant to today's organizational decisions.

g. From 1963-1974 the majority of the manpower management functions listed in the center column of table V-2 were located in the Assistant Chief of Staff for Force Development (ACSFOR). The ACSFOR was created to emphasize the force development process, giving the Army the capability to respond to the changing strategic and tactical concepts of that era. The Congress did not control the Army's size by End Strength (ES); control was by dollars, and the prevalent need was to link the space allocation, justification and management process to the force structure and to organizationally locate these processes with the force developer. A summary of the placement of the principal manpower functions during that time is shown in table V-4.

MANPOWER MANAGEMENT PROCESS

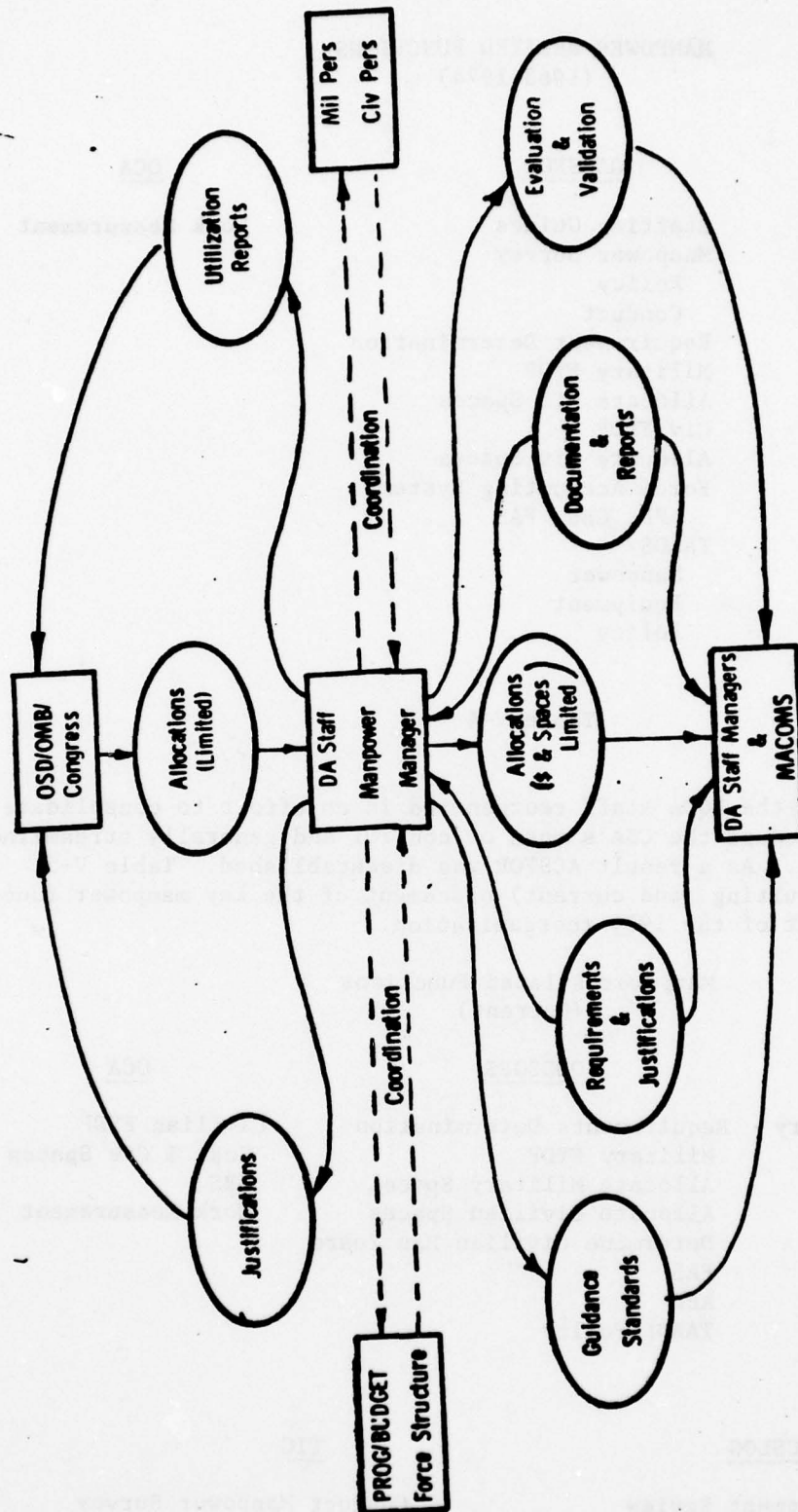


Table V-3

MANPOWER RELATED FUNCTIONS
(1963-1974)

<u>ODCSPER</u>	<u>OACSFOR</u>	<u>OCA</u>
Skill/Grade Standards Allocate Mil Grade Cost Mil	Staffing Guides Manpower Survey Policy Conduct Requirement Determination Military FYDP Allocate Mil Spaces Civ FYDP Allocate Civ Spaces Force Accounting Systems AFP, CBS, FAS TAADS Manpower Equipment Policy	Work Measurement

Table V-4

h. In 1974 the HQDA staff reorganized in an effort to consolidate key functions, reduce the CSA's span of control and generally streamline the headquarters. As a result ACSFOR was disestablished. Table V-5 displays the resulting (and current) placement of the key manpower functions as a result of the 1974 reorganization.

Manpower Related Functions
(Current)

<u>ODCSPER</u>	<u>ODCSOPS</u>	<u>OCA</u>
Determine Military Grades Manpower Survey Policy TAADS Manpower Manage Civ Manpower Requirement Determination Skill/Grade Standards	Requirements Determination Military FYDP Allocate Military Spaces Allocate Civilian Spaces Determine Civilian Man Years FAS AFP TAADS Policy	Civilian FYDP Cost & Civ Spaces CBS Work Measurement

ODCSLOG

TIG

TAADS Equipment Review

Conduct Manpower Survey

Table V-5

3. Observations from initial research

a. Manpower, because of its tremendous cost and its relatively high percentage of the OSD/Army budget, is now and will, in all probability, continue to be a key item of interest to the administration and the Congress. Accordingly, the Army must have an effective manpower management organization if it expects to be in a position to justify and defend the manpower requirements needed to successfully accomplish assigned missions.

b. The 1974 Reorganization accomplished its intended goals of consolidating, streamlining, and fixing responsibility for some functions, but not for manpower. As is shown in table V-5, the key manpower functions are spread throughout the staff, and responsibility is not fixed in a single functional element. Irrespective of the staff arrangements, hard work by dedicated action officers and the influence of key personalities make the system function. Despite these efforts, though, significant manpower problems remain. These will be outlined in the next section, PROBLEMS.

c. In view of the interest of Congress and recent investigations by GAO (concerning DOD manpower), changes could be directed in manpower management procedures, requirements determination processes, and organizations for manpower. In fact, OSD is reviewing its own and the various services organizations; and, the Air Force and Navy are engaged in similar studies.

PROBLEMS

1. One of the most critical initial tasks for the RMSG was to develop and staff a list of problems observed to be present in the current resource management process. For the manpower part of this effort, the RMSG drew heavily on the findings of the 1976 Manpower study discussed earlier in the BACKGROUND paragraph. Nearly all of the 1976 findings are still valid, even though the detailed discussion and many of the specific case study examples are now dated. Additionally, the RMSG analyzed the Manpower management process in detail, focusing on very recent Staff issues, in order to assess whether the problems identified in earlier studies remain.

2. The current problem and discussion list developed by the RMSG, and lifted to some degree from the 1976 study, is presented in the following paragraph.

3. Problem Summary

a. The responsibility for manpower management is not clearly fixed. As shown by the functional display in table V-5, key functions are spread throughout the staff. Accordingly, no single agency can be

held responsible for all manpower functions. As examples--ODCSOPS allocates, accounts for, and determines the requirement for civilian ES, but COA assembles the data and reports same to OSD. In the budget documents, ODCSOPS is responsible for utilization of Civilian ES, but ODCSPER establishes utilization policy and receives the "actual" reports, while the OTIG conducts the manpower survey. Both the DCSOPS and DCSPER will be called to testify to the Congress on manpower matters; ODCSOPS must justify manpower (especially support manpower) while COA is responsible for the work measurement programs which Congress (GAO) wants used to develop and justify the requests. This list of examples can be expanded; however, the basic point is clear. Responsibility is not fixed nor can it logically and fairly be fixed under the current functional arrangement.

b. Staff coordination on manpower matters is extremely complex and time-consuming. Nearly all manpower actions must be coordinated, as a minimum, with ODCSOPS, ODCSPER, OCA and Program/Appropriation Directors. This coordination can be easy and routine, but when significant disagreements/philosophical differences occur, it can become a major obstacle. This problem is directly related to the manpower functional split.

c. Manpower specialists and tools are not readily available to the manpower manager. Requirements determination, justification, and manpower allocation are assigned to ODCSOPS, but tools and specialists relative to carrying out these responsibilities are located in OCA, ODCSPER, and OTIG. As stated earlier, work measurement (methods and standards) resides in OCA; survey responsibility is in OTIG; MACOM records covering survey results, utilization policy, "actual" reports, and staffing guides are assigned to ODCSPER. While an action officer from one agency can travel to another agency for data, he/she may not meet a sense of urgency or dedication to the degree necessary to solve his/her immediate problem. Further, singular data is piecemeal and relatively useless for solving a particular action. A viable program integrating all the tools and expertise is non-existent.

d. MACOM flexibility often exceeds that of HQDA. HQDA policy is to give subordinate commands maximum flexibility regarding management of allocated resources, including manpower. Contradictory of HQDA's "hands-off" policy toward MACOMs, OSD and Congress require manpower projection and actual utilization data at the AMSCO level (of detail). The AMSCO data is aggregated into Defense Planning and Programming Categories (DPPC), and the Army must explain changes occurring between fiscal years and among DPPC in subsequent budget submissions. Despite these detailed audit trail requirements imposed on the Army by Congress and OSD, MACOMs can shift manpower among categories almost at will with little explanation. Along the same line, the Army often promises to Congress that a certain DPPC will be increased to a particular level (in order to obtain or retain resources). Unfortunately, the totals on these categories may be reduced or changed by the time the next budget submission is made, because similar restrictions are not placed on the field. In addition

to DPPC accounting and restrictions, the Army must not exceed its total authorization for military or civilian ES. Both assets must be fully utilized as requested or the Army suffers reductions in subsequent years.

e. The Army's manpower management reputation is not good. Recent OSD/OMB and Congressional manpower reductions imposed on the Army reflect that the Army's reputation for managing manpower and justifying its requirements is not good. However, a conclusion based solely on this criteria is unfair. These reductions are often products of the then-prevalent political and budget environment, not necessarily a result of the services reputation. At the same time though, other evidence indicates that it would be unwise to ignore the connection. In 1976, the USAF was praised by the Congress as being the best managed of the services (with respect to manpower), and this fact has recently been brought to light again by the GAO. In a report issued 18 Oct 77, the GAO lauds the USAF for its manpower requirements determination process, and criticizes the Army (and the Navy). Informal interviews with OSD Staff personnel indicates that this same perception is present there also. Surely, these perceptions have some impact on the Army's requests for manpower resources.

f. Manpower tradeoffs are severely limited. Manpower tradeoffs come in two categories. One is the ability to trade one type of manpower for another in order to accomplish a required function (for example, military vs. civilian vs. contract vs. combination). The other is the possibility of redistributing manpower allocated to existing programs in order to perform new programs.

(1) The first category is severely limited because of the rules and regulations pertaining to the various types of manpower. Specific jobs are defined as suitable for military manpower and others for civilian. There is some overlap, but the possibilities are limited for a variety of reasons, including a reluctance by MACOMs to convert military positions to civilian during a time when civilian reductions occur with regularity. The use of commercial contracts also pose a problem because of time constraints and specific procedures for "turning back" the saved manpower.

(2) The second category (canceling current programs) is also difficult but offers more promise. It is more and more apparent that available manpower is a finite (and decreasing) number within which the Army must work. Accordingly, new programs in general can be manned only if old ones are canceled. However, functional interest, program proponentcy, and a natural reluctance to terminate well-established activities, combine to make program elimination extremely difficult.

g. Automated systems important to manpower management are not fully integrated. While the TAADS, FAS, AFP, CBS and other systems are rather sophisticated in their own right, they do not fully interface with

one another nor with the personnel systems. There have been efforts to link these systems. For example, AFP and CBS, after several years of effort do have a partially automated interface. Also, the VFDMIS and FORDIMS systems currently under development are designed to integrate certain systems. General Research Corporation has accomplished a thorough evaluation of the interface of these systems and made substantive integration recommendations to the Army. However, this integration has been slow to develop and is still some time away, despite the present emphasis on manpower management. Furthermore, while these efforts attempt to link manpower management to the force, little has been done to link the personnel reporting systems to the manpower management systems. Despite a requirement which has existed for several years, the manpower manager still cannot routinely compile an accurate report of actual utilization by DPPC. Also, the systems cannot construct an audit trail between various categories and fiscal years which is an essential element of manpower reporting to OSD/OMB/Congress.

DISCUSSION

1. Analysis

a. The analysis process used by the RMSG is thoroughly discussed in Chapter III. This process not only tested various organizations (including the current one), but it helped the RMSG further validate problems surfaced during the research phase.

b. It became evident during the analysis process that some problems are perhaps procedural in nature and could be solved by intensified management efforts. In fact, it is the current management effort, manifested by hard work, personal dedication, and key personalities, which makes the present organization work as well as it does. However, the Army should not have to depend solely on key individuals to make a system function; the system itself should contribute.

c. The RMSG analysis indicated that some organization change could contribute to solving problems related to procedures, responsibility and accountability. For example, the present "quality"/"quantity" split between ODCSPER and ODCSOPS is not as definitive as it sounds. The two areas are interrelated and interdependent, and the artificial staff split does not contribute to good management. Only dedicated efforts overcome the present arrangements.

2. Case studies used for analysis. All case studies used to analyze the present vs. alternative organizations are presented and discussed in Chapter III. An example of a specific case which vividly illustrates present manpower problems follows.

a. Civilian manpower reduction. In late FY 77, OSD instructed the Army to significantly reduce its civilian end strength by end FY 77 (two months away) and again by end FY 78. Congress reaffirmed the FY 78 reduction with its final vote on the FY 78 budget. The FY 77 portion of the reduction depended on attrition. RIF's were not possible (nor allowed) because of the short notice and OSD directives which specifically prohibited the use of RIF. It then became apparent that attrition would also be the means of accomplishing the FY 78 reduction. ODCSOPS made the civilian reduction proposals but had to rely on actual civilian personnel data from ODCSPER to make logical (and legal) recommendations. A means for offsetting the impact of reductions was through the use of Borrowed Military Manpower (BMM). However, BMM policy is a functional responsibility assigned to ODCSPER--further complicating the problem. The RMSG concluded that this action could have been handled much more effectively if the major manpower functions had been consolidated under one office, with a single DA Staff head responsible for all aspects and all impacts of the action recommended.

b. All manpower cases with a short time for implementation or involving a heavy "face" impact also tended to fare very well in a consolidated organization. This observation is especially applicable to directed reductions or Congressional justification.

3. Consolidation. While consolidation of functions is not necessarily the solution to every problem faced by the Army, it does provide a better climate in which to solve many of the manpower problems and provides a means for fixing responsibility and accountability. Finally, it displays, to Congress and OSD, an Army attempt to better manage an expensive, limited resource. The RMSG has reduced the consolidation proposal to three alternatives:

a. DCSRM

(1) Consolidation in a DCSR organization should solve any problems relative to disconnects between civilian ES and civilian dollar (man year) allocations. However, RMSG analysis shows it would do little for military manpower except to ensure that dollars (other than pay dollars) were allocated to new proposals which require both manpower and funds. Also, most dollar-space disconnects result from the extensive time lag in space documentation, coupled with DA Staff inability to track MACOM use of gross allocations. While FORDIMS is being developed to solve this problem, adoption of the DCSR concept would not correct the deficiencies listed.

(2) At the HQDA level, adding manpower to the DCSR(COA) could possibly over-burden the financial manager and would serve to further separate manpower considerations from the force development process and from the personnel management system.

b. DCSOPS

(1) Consolidation in ODCSOPS would further link the manpower management processes to the force development functions, but at the same time, it would further diversify and increase the size of the DCSOPS staff.

(2) Consolidation here would not contribute to solving any manpower/dollar allocation disconnects (to the extent they currently exist) and would continue the present separation between personnel and manpower management.

c. DCSPER

(1) Consolidation in ODCSPER clearly enhances closing the gap between personnel and manpower management. Total manpower costing and the relationship of spaces and dollars should be made easier because of the DCSPER budget responsibilities in other manpower related personnel management activities, particularly when viewed in light of the total spectrum of RMSG recommendations. There will, however, still be a requirement for close coordination of dollar/space allocations.

(2) Consolidation in ODCSPER will not interfere with the DCSOPS responsibility for force structuring; but rather, it should remove some of the personnel management related staff action now accomplished in ODCSOPS. Close coordination between force development and manpower management will remain important.

FINDINGS:

a. After thorough analysis, involving "test cases" of approximately fifty-nine sample actions, the RMSG has concluded that consolidation of all manpower functions is required. And, three options, i.e., DCSRM, ODCSOPS, and ODCSPER offer significant improvement over the present arrangement.

b. Consolidation in ODCSPER is considered to be the best solution despite potential difficulties which could occur between space allocation and force development and between space allocation and dollar allocation. The "breaks" are logical and can be overcome. ODCSPER is considered to be the best solution for the following reasons:

(1) The "spaces/faces" connection is the most important relationship in the present environment. Congress views them as one in the same as do most people outside the immediate manpower community. Personnel costs are the critical issue in today's budgets, and they must be defended to OSD/OMB/

Congress in one integrated statement which includes quantitative data, qualitative data, and the related manpower and personnel policies.

(2) In today's environment, spaces and faces must be considered as one. "Empty" spaces are useless to a commander and should not be allocated unless they can be filled within the prescribed time--whether they be military or civilian. On the other hand, spaces cannot be withdrawn without full consideration of RIF regulations, reenlistment contracts, PCS costs, and other such personnel related issues. Fixing of manpower/personnel responsibility and establishment of an organizational link between manpower and personnel is the best way to ensure all facets of these problems are considered.

(3) The potential coordination problem between manpower management and force development is not considered serious. ODCSOPS will continue to establish the Army's priorities, and develop the program force. Prior to each major force development cycle (e.g. POM preparation), the Force Structure Allowance (FSA) to be used for the basis of the Program Force should be a matter for SELCOM review and CSA decision. The resulting Program Force is the basis for DCSPER manpower allocations to support the POM Force. This is not totally unlike today's process but will remove DCSOPS from the detail of allocating spaces to the TDA structure. At the same time, DCSOPS, by establishing priorities, retains full authority over structure and manning levels.

- c. The potential disconnect between manpower and dollars, in the opinion of the RMSG, is not serious enough to warrant further consideration of the DCSRM alternative. While a close manpower/dollar interface is necessary and disconnects do exist that are related to civilian manpower, for the most part improvements resulting from FORDIMS integration within a program-budget sub-system and controlled over-allocation of civilian spaces can largely eliminate this management problem. Additionally, establishment of DA guidelines and an administrative account covering civilian manpower dollars would cause further improvements. This administrative account would permit closer management of funds specifically allocated to support civilian

manpower spaces giving MACOMS and DA sound data on which to base manpower requests and adjustment decisions.

- d. The concern that DCSPER may allocate spaces to solve personnel problems rather than to meet force requirements (thereby not creating a demand) is not considered significant. The RMSG is convinced that force structure management, with the DCSOPS influence and emphasis, will continue to be the driving factor. Further, the Resource Management Review (RMR) capability, recommended at Chapter VII, will serve as a check to ensure that manpower decisions as well as other Resource Management actions are in consonance with Army goals and programs.
- e. This consolidation in ODCSPER will present a rational approach to Congress concerning the Army's key problem, manpower/personnel. It is in line with efforts currently under study in the other services and is in consonance with manpower "life-cycle" recommendations made by the Defense Manpower Commission (DMC). Finally, all tools and expertise related to manpower and personnel will be amalgamated in one staff element.
- f. Subsequent to the manpower and personnel management consolidation, there are numerous management actions which must be accomplished. The key ones are as follows:
 - (1) Reporting systems must be refined: For example, it is difficult to assemble an accurate manpower strength report by Defense Planning & Programing Category (DPPC); DCSOPS now must solicit a special report in order to establish civilian strength projections (DCSPER reports will not accomplish the mission); and, the "78" report is of questionable value. Accordingly, these reports must be integrated and streamlined to reflect useful and similar personnel and manpower data.
 - (2) Key decision points must be established: For example, a key decision point would be the establishment of the Force Structure Allowance (FSA) and the agreement concerning what portion of that allowance will be used for the TOE Force. These key decisions should not be made by action officers,

but should involve agency heads and be accomplished with full consideration of the impact of the decision. Another key point might be the decision relative to "how many spaces, military and civilian, to request from OSD" at a particular budget event. These key decision points are essential to ensure the proper interface among manpower/personnel, the force and dollars.

(3) Thresholds for MACOM requests must be established: The PARR submissions should not be an elaborate "want list" submitted by the MACOM. Rather, the requests should be limited to some realistic number which can be adequately treated by the DA Staff. "Zero-base" programming should help solve this problem; but, in any case, the manpower manager must, in consonance with the programmer and appropriation/program directors, cause such requests to be limited.

(4) Requests for manpower changes must be restricted to a major budget event: HQDA involvement in requests concerning small numbers of spaces must be eliminated. A major command with thousands of spaces and an ES ceiling established by the Program Budget Guidance (PBG) should wait until the subsequent budget event to submit a request for change. Minor requests between cycles take as much time and often receive more attention than major requests during the POM or COBE processing period. The recommendations contained in the Management of Change (MOC) study which restrict TAADS submissions to two "windows" each lasting three months should significantly reduce the turbulence caused to the manpower system resulting from minor changes. While emergencies could be processed, discipline is necessary if the Army is to have a viable and manageable power program.

- g. Firm bases for manpower decisions must be established: Too often manpower is allocated based on "who" is asking for it. Firm bases derived from survey data, DCSOPS priorities, utilization, and actual strength must be established. This function should be easier with a limitation on number of requests, restrictions on the frequency of requests, assistance of the RMR, DCSOPS force priorities, and the integration of the manpower/personnel systems.

This control is especially critical since no manpower is (or will be) withheld by HQDA. All authorized ES is allocated to the field at each designated budget event.

- h. A single authority for manpower standards must be established. Manpower standards become the basis for justification or decisions. Presently, standards are promulgated by various agencies and rarely by the manpower manager. For example, OTSG, TAG, COA, and DMIS establish some type of standards governing the manpower required within their functional areas. The Methods and Standards (M&S) program administered by the COA provides an excellent means of accurately projecting the manpower required to perform a specific task. While it is recognized that the results of M&S have uses in other than the manpower function, such as the development of an effective productivity improvement program, the policy governing the conduct of the M&S effort Army-wide should be incorporated into the objectives of the manpower program. The NAF community also establishes standards. This is not to say that the Army functional expert is not in the best position to establish requirements, but that all such standards must be approved/validated by the manpower managers. They become the basis for the manpower program and, accordingly, must be administered by the manpower manager.
- i. The manpower career program must be clarified. This effort is also discussed in Chapter IX. Briefly, though, the manpower program must be elevated in importance to a level of the comptroller and/or personnel fields.
- j. An SSA should be considered to handle the detail aspects of the manpower functions. The new manpower manager (and DAS) must consider an SSA to remove some of the detail operations from the Army Staff while still maintaining access to the required information. Candidate functions are standards development, staffing guide development, manpower survey and the manpower accounting systems.
- k. Program and appropriation directors must become more involved in the manpower justification and allocation process. While the manpower manager may

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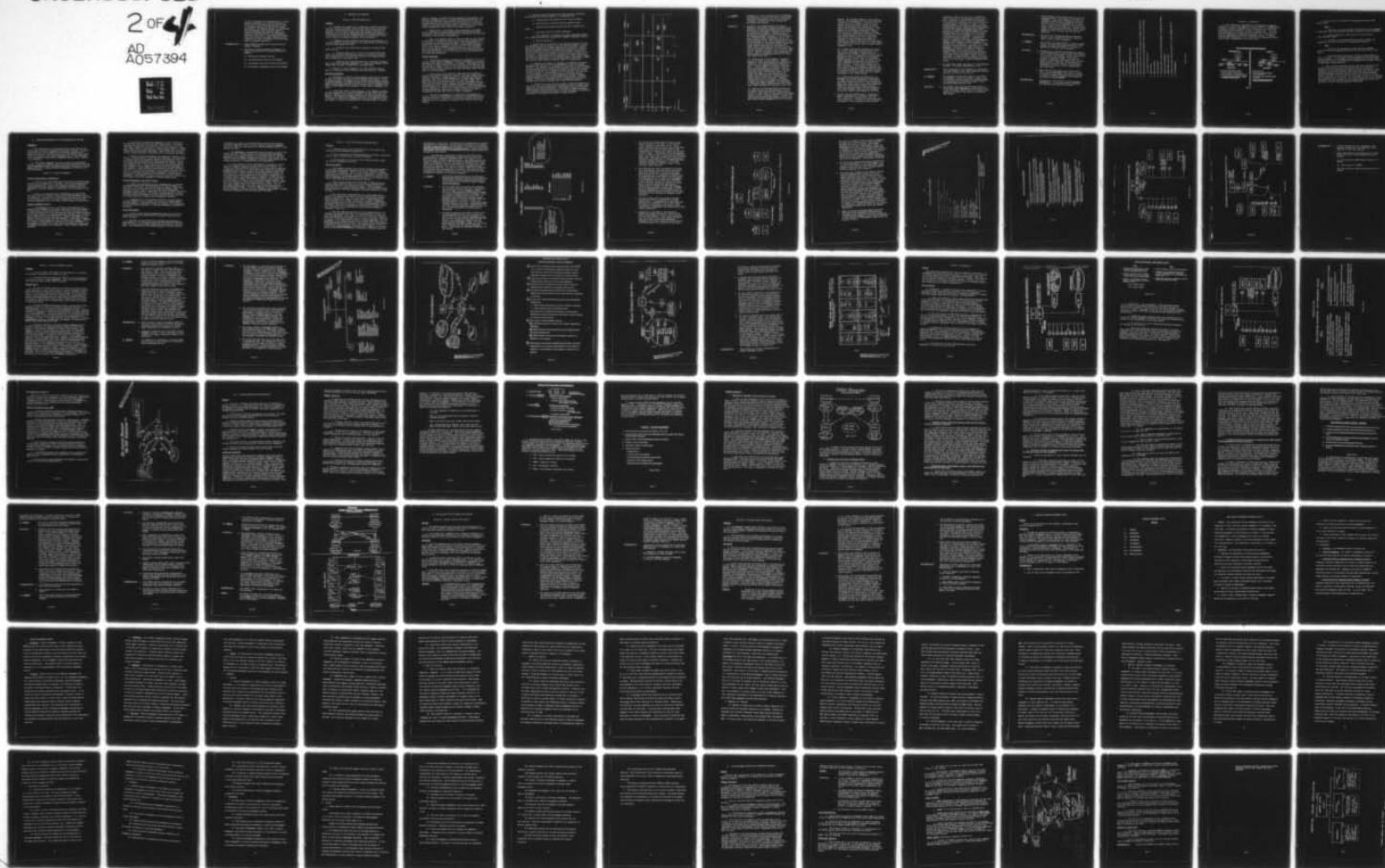
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be able to determine the reasonableness of a stated manpower requirement for a specific function, it is the role of the program/appropriation director to determine whether or not the function should be performed. The manpower manager, in coordination with the programmer, must distribute spaces to program and appropriation directors (much like dollars are now distributed) at the beginning of each major budget event. This process will greatly assist in the initial allocation process and will necessitate the early involvement of the functional experts in manpower decisions.

- RECOMMENDATIONS:
- a. Charge DCSPER with HQDA Staff responsibility for manpower management.
 - b. Establish an integrated manpower management process by consolidating the following functions in ODCSPER:
 - (1) Methods and standards from OCA.
 - (2) The Authorization function from ODCSPER.
 - (3) The manpower allocation function from ODCSOPS.
 - (4) The manpower programing function from ODCSOPS.

VI. PROGRAMING AND BUDGETING

Section A. RMSG Recommendations

PROBLEMS

1. Organizational separation of programing and budgeting responsibilities, currently assigned to OCSA and COA respectively, creates the potential for disconnects between long range and short range resource decisions. This is clearly evident when one considers the impact of changing Army priorities and OSD/OMB guidance during budget formulation for a fiscal year previously considered the first program year, and an earlier subject of program development resource decisions.

2. Assignment of Army programing and budgeting responsibilities to two Staff agencies adversely impacts on the Staff ability to develop and manage an Army program as follows:

a. Frequent conflicting resource guidance is issued by OCSA (PA&E) and COA.

b. Excessive duplication of effort is required between OCSA (PA&E), COA and appropriation/program directors to produce a cohesive Army program linked to Army goals and priorities from program development to execution in the current year.

c. Differing Staff responsibilities for the Program and Budget Major Issue Cycles undermine management of a single Army Program from the program years through to formulation of an annual budget.

3. Because of "crisis management" and "fire fighting" roles of PA&E, the programing function receives less attention than it demands.

HISTORICAL BACKGROUND

1. Development of effective Army programing began with the creation in 1966 of an OCSA directorate for Force Planning and Analysis. Staffed by systems analysts, this agency was to coordinate Army programs, develop integrated management information systems and to perform planning analysis. These functions were absorbed in 1967 by the new office of Assistant Vice Chief of Staff (AVCSA) as an integrator of Army resource management functions.

2. A 1970, Vice Chief of Staff-directed, ad hoc committee analyzed the Army organization for resource management and specifically the capability to implement OSD directed revisions to the PPBS cycle--POM submissions. The committee recommended retention of the programing function in the office of the AVCSA, broadening the scope of the Director of the Army Budget to address all appropriations, and establishment of a Select

Committee (SELCOM) to expedite resource management decisionmaking. The basis for recommendations not to transfer the programing function from the AVCSA were potential organizational insulation of the Director of Programs from CSA, the Secretariat, and OSD; assignment of a new major function to the Comptroller; and transfer of the function would require a major reorientation of the Staff with attendant turbulence.

3. General DePuy, as the AVCSA, institutionalized an Army PPBS cycle coordinated by the OCSA Program Analysis and Evaluation (PA&E) directorate. This function was assumed by the Director of the Army Staff following the 1974 DA Staff reorganization.

4. While the programing function, from its inception, has remained in the Office of the Chief of Staff, the time has never "appeared right" for transfer to a coordinating staff agency. With problems such as managing the materiel acquisition process, involving Staff principals in face to face resource management decisions, and the fiscal management crisis of the mid-70's, other priorities have risen to the forefront. With continued emphasis on constrained resources and improved management and review capabilities, this is the time for a critical evaluation of the functional organization.

GENERAL DISCUSSION

1. The interrelationship of programing and budgeting is key to the success of Army resource management. In fact, programing as a function represents the bridge from planning to the budget. From program development through to budget execution of the first year of the five year Army program much can change. Only the close relationships of these two functions can ensure resource decisions in current and budget years optimally impact on the Army program.

2. The 12 January 1978 President's Memorandum for the Heads of Executive Departments and Agencies, subject: Multi-Year Budget Planning, points out the need to closely integrate the programing and budgeting functions. The intent of this Memorandum is to cause budget requests beginning FY 80 to be prepared as part of a three-year budget plan. While the basic nature of Army resource planning, programing, and budgeting may not require change, throughout the analysis phase the study group determined that a single Staff coordinator to assure implementation of this directive, in terms of the optimal statement and justification of resource requirements, would better integrate the plan with today's requirements and cause more effective resource management.

3. The role of programing is to provide the decisionmaker the ability to attain the organization's objectives by optimum allocation of resources over time. The nature of the function requires that the programmer not act as a proponent for anything, other than the total Army program.

4. The study group recognized that certain essential conditions are required of an effective program. The programmer must:

- a. Translate goals and objectives into resource guidance.
- b. Have authority to allocate resource guidance levels.
- c. Develop future resource projections with reasonable precision.
- d. Have direct access to senior leadership.
- e. Have capability to integrate all ongoing programing efforts (e.g., materiel acquisition, construction, manpower, logistical support).
- f. Must be innovative.

5. Simplistically, the budget is the financial expression of plans and programs for the first year of the five year Army program. The program is the foundation for budget formulation and execution. Between program development decisions and congressional enactment of authorization and appropriations bills, priorities and guidance, internal and external to the Army, force changes in activity resource levels for each fiscal year. These changes must be integrated into budget formulation and result in refinement of the Army program since every change in budget year resource levels impact on the existing program. Additionally, shifts that occur in budget execution normally impact on program years.

6. Although the processes of programing and budgeting are similar, the disciplines required for the accomplishment of each are somewhat different. The programmer is concerned with translation of out-year goals and requirements into an integrated Army program. Thus he must coordinate the resource implications of diverse functional programs from inception through to execution. The budgeteer's role is much more near term and, to a large degree, centers on formulating and justifying detailed resource requirements for the first program year through to ensuring optimal execution of those congressionally approved resource impacted programs. Table VI-A-1 provides a key to the perspective required of each process in terms of existing time driven PPBS requirements.

7. Irrespective of the location of Staff programing responsibility, the current role of appropriation and program directors in program development was recognized as essential. This premise recognized that while many personnel actively participate in both POM and budget development, it is a healthy situation which results in Staff management of functional requirements from program development to budget execution.

PLANNING		PROGRAMMING		BUDGET		EXECUTION	
(Years)	PLANNING	7	Programing	2	Budget	Current	
10							
OSD			ISSUES oPDM oJFTI		oOSD/OMB HEARINGS oDPS		
JCS	oJSAH					o JSCP	
SVCS	oTAA	oAPFCH	oPON oFYDP		oBUDGET SUBMIT oFYDP oPRES BUDGET oFYDP	EXECUTION REVIEW	0 P L A M S
MACOM			oFARR		oCOBE	EXECUTION REVIEW	

(Month)

Table VI-A-1

VI-A-4

1. FINDING:

Amalgamation of Staff responsibility for programing and budgeting in a single staff agency would provide significant advantages in terms of the integration of resource decisions within the existing, and developing, Army program.

DISCUSSION:

- a. Throughout the detailed analysis (discussed at Chapter IV, each scenario evaluation pointed up the advantages of formalizing between OCA directorates the now Staff inter-agency coordinated link between the program and the budget. Scenarios worthy of mention were development of the FY 79-83 Program, FY 79 COBE processing, development of FY 79 Procurement and RDT&E budgets, Budget Major Issues, and budget execution review. Each analysis pointed out the shortcomings of the current organization in terms of the potential for disconnects between program and budget resource decisions, the confusion which exists between Staff agencies often driven by conflicting requirements/guidance of OCA and OCSA (PA&E), and the redundancy of analyst effort in OCA and OCSA (PA&E). Specific advantages of the amalgamation of the programing and budgeting functions in a single Staff agency noted were:

(1) The potential for development of integrated program and budget resource guidance. Numerous examples of conflicting guidance and administrative instructions for program and budget development exist. A recent example is the dollar level guidance to field commands for development of FY 80 Zero Based Budget decremented levels. Differing instructions were issued by OCSA (PA&E), OCA and DCSRDA with respect to the percentage of the January 1978 FYDP and/or May 1978 Program and Budget Guidance levels used to develop field decremented levels for FY 80 budgets. Although coordination could have averted this disconnect, a single Staff agency responsible for development of integrated resource guidance would likely reduce Staff "wheel spinning" and confusion in the field.

(2) Reduction in Staff duplication of effort now encouraged by split resource management responsibilities of OCSA (PA&E) and OCA. Existing duplication is largely caused by appropriation and command analysts in the two agencies tasked to analyze and review appropriations, FYDP programs, and field command dollar resource management for the same fiscal

periods. Two excellent examples of Staff duplication were the development of both the FY 79-83 Army Program and the FY 79 Budget. Each resulted in separate detailed analysis, building of fiscal levels, and excessive Staff interaction by OCSA (PA&E) and COA analysts and decisionmakers. Amalgamation of programing and budgeting responsibilities within a single Staff agency, although still requiring considerable intra-agency coordination between managers of those two functions, would provide the potential for a single Staff principal to reduce excessive duplication by organizing to maximize analytical efficiency while achieving what does not now exist in a single agency, both a prior year/near year and an outyear resource management focus.

(3) A single Staff agency responsible for allocation of all allocatable resource guidance levels from program development to budget execution. Integral to this concept is the allocation of dollar and manpower levels to appropriation and manpower managers at each critical point in the program/budget development cycle. With the advent of zero based programing and budgeting, the capability to issue integrated resource level guidance to the Staff is a must. A single agency tasked with primary responsibility for programing, budgeting, and total resource management review provides the check and balance capability to ensure optimal allocation of resources to meet Army goals and field command requirements in all fiscal periods.

(4) A single Staff agency responsible for the management of the Army Program from program years to budget formulation and execution. The existing split Staff responsibilities for annual program and budget Major Issue Cycles, which foster disconnects between the program and the budget, would be eliminated thus providing an increased capability for a single manager to keep resource management focused on a singular Army program for all years.

- b. The much discussed disadvantage of assigning programing responsibility to an agency other than OCSA - reduction in innovation and creativity - is a false perception. Proximity to senior management, development of future programs and the need for

independent resource review do not of themselves dictate retention of the programing function within OCSA. Assignment of responsibility and adequate staffing for this function to the COA, as the Army's resource manager, particularly in light of other recommendations to free COA from appropriation/FYDP program directorships, charge COA with responsibility for total Army resource management review (both discussed at Chapter VII) and development of a small residual OCSA policy and guidance cell (discussed at Chapter XVI) would contribute to a cross-functional perspective and retention of the existing innovative programmer capability. Additionally, because of competing "fire fighting" and programing demands on PA&E analysts, program management is sometimes short changed due to its location in OCSA. The quick reaction analysis, evaluation, and "crisis management" capability this agency affords top management must result in a tradeoff between program management and the issue at hand. Recent examples of other than pure program issues drawing on the expertise of this agency include current involvement in budget defense, a heavy role in the allocation of the FY 78 civilian manpower reduction, and as a key participant in Posture Statement development.

- c. No significant changes are required to the budgeting function, a statutory responsibility of COA.

RECOMMENDATION:

Staff responsibility for programing be transferred from OCSA (DPA&E) to COA. Major functional responsibilities are listed at Table VI-A-2.

2. FINDING:

The assignment of "special" status to the Director of Programs in order to allow direct access to the CSA and VCSA, the Army Secretariat, and OSD managers is a requirement for successful transfer of the programing responsibility to OCA.

DISCUSSION:

- a. The programmer must have the same ready access to senior Army and OSD management as does the Director of the Army Budget (DAB) in order to translate goals, guidance, and stated priorities into a cohesive Army program.

- b. Many advantages of the current location of the programing function are tied closely to proximity to management. While these advantages of having the programmer within OCSA were recognized, the capability to get in to top management and to participate in decisions which impact on the program were viewed as what was truly important. Special status, similar to that now held by the DAB, without being hampered by Staff layering, would provide that capability.

RECOMMENDATION:

The Director of Programs and Resource Management Review, in OCA, be assured "special" status for direct access to senior management.

3. FINDING:

The current role of appropriation, program, program element, and functional program directors in Army program and budget development (as outlined at CSR's 11-5, 11-8 and 37-4) is essential.

DISCUSSION:

- a. Determination of resource requirements and analysis of field submissions in terms of functional responsibility is key to development, defense, and execution of an effective Army program. The interface afforded by program and budget activities, now integral to each major Staff agency, with the Staff agency primarily responsible for programing and budgeting was seen as critical to the successful development and defense of FYDP programs along functional lines.
- b. While this process requires total Staff involvement in the program/budget cycle process, a focus on functional responsibility was seen as essential to effective resource management by providing the best basis for decisionmaking.

RECOMMENDATION:

Irrespective of the location of Staff programing responsibility, current Staff agency programing and budgeting roles should be continued.

MAJOR FUNCTIONAL RESPONSIBILITIES OF THE PROGRAMER

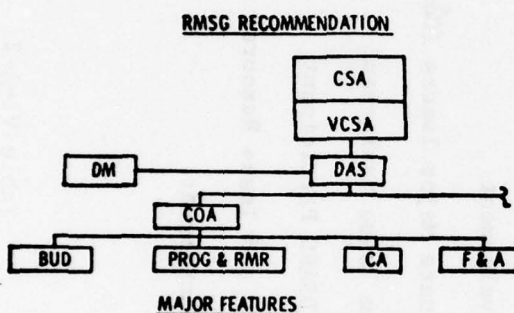
- o Program Guidance
- o Program Policy
- o Consolidated Guidance Interface
- o Develop APPGM
- o Develop Extended Planning Annex
- o Develop Fiscal Levels (for both program and budget formulation)
- o Develop Military and Civilian Manpower Levels (for both program and budget formulation)
- o PARR Guidance
- o PARR Processing
- o POM Development
- o Coordinate Major Issues (Consolidated Guidance, Program and Budget).
- o Program Issue Management
- o ASARC/DSARC Participant
- o Develop and Issue Resource Guidance to Field Commands (PBG's)
- o FYDP Management

Table VI-A-2

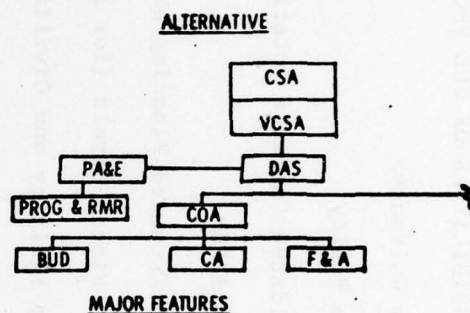
Section B. Alternative

1. The alternative to amalgamation of programing and budgeting functions in a single Staff agency is closely aligned to recommendations to develop a Resource Management Review capability on the Army Staff, preferably in OCA (discussed in Section C., Chapter VII). The Study Group determined that the most feasible alternative was to retain the existing programing and budgeting organization and to task PA&E with DA Staff responsibility for Resource Management Review. A summary organizational responsibility chart depicting this alternative together with the RMSG recommendation is at Table VI-B-1.

PROGRAMING/RESOURCE MANAGEMENT REVIEW ALTERNATIVES



- Makes COA the key staff Resource Manager
- Frees DAS from details of programing function
- Provides best RMR focus - (Programing thru Execution)
- Links essential RMR expertise (Budgeting, Programing, Cost Analysis) in a single Staff Agency



- Retains PA&E in OCSA
- Capability to "tap" available staff expertise to assist in conducting RMR
- Army Programmer retains responsibility for analysis and evaluation
- Maintains organizational split between Staff Programing and Budgeting responsibilities

Table VI-B-1

2. Pro's and Con's of retaining the programing function at OCSA level include:

PRO'S

- a. Retention of a close interface and prominence of the programmer at OCSA level with the Secretariat and OSD - proximity to senior management.
- b. Ready availability at OCSA level for a quick reaction "fire-fighting" element.
- c. Retention of cross-agency/function review, guidance and integration at a staff level void of issue/program proponency.

CON'S

- a. Maintains the organizational split between programing (out-year focus) and budgeting (prior-year and near year focus) on the Staff.
- b. Continues Staff duplication of effort and the question of "who's in charge" - the programmer because programing includes development through execution, or the budgeter because budgeting must consider what has been done in prior years and what is programed for the future, likewise in development through execution.

3. The study group recognized however, that this alternative does provide a close interface with the existing OSD staff which splits responsibility for programing and budgeting between two agencies. Until functional consolidation of these two key functions occurs at OSD level, differing emphasis and guidance during program and budget development phases of the PPBS cycle will continue to be a fact of life for the DA Staff irrespective of this study. For this reason, as well as the emphasis the CSA may determine is necessary for a separate analytical cell, the RMSG determined that this alternative is certainly feasible but not the best solution to DA Staff resource management integration.

VII. RESOURCE MANAGEMENT/ROLE OF THE COMPTROLLER OF THE ARMY

BACKGROUND

1. The current role of the Comptroller of the Army (COA) in the Staff process of resource management was analyzed in detail. An across the spectrum view of the capability of the current organization to manage resources led to the realization that the Comptroller must occupy a key role, because of his fiscal responsibilities, in the development of any integrated DA Staff Resource Management System--policy, organization, procedures.

2. This chapter addresses the role of the COA in three separate sections: Financial Management, Staff Directorship Responsibilities, and Resource Management Review. Recommendations which culminate in a revised, expanded COA role in Army-wide resource management are outlined in the last two sections.

Section A. Financial Management

Statutory Requirements of Comptroller

1. Title 10 U.S.C. 3014 establishes the statutory functional responsibilities of the Comptroller of the Army. They include responsibility for the organizational structure and managerial procedures relating to budgeting, accounting, progress and statistical reporting within the Department of the Army, subject to the authority of the Secretary of the Army.

2. None of the conclusions and recommendations outlined within this report require a statutory change in the fiscal management role of the Comptroller. Additionally, the concurrent reporting of the Comptroller to the Assistant Secretary of the Army (Installations, Logistics and Financial Management) and to the Chief of Staff requires no modification.

Financial Management Policy

1. Army management policy, as outlined in Army Regulation 5-1, emphasizes that delegation of authority commensurate with the assignment of responsibility should be made down to the lowest practicable level, and that centralized control of decentralized operations should be limited to the extent required to establish priorities, allocate scarce resources and to identify and correct deficiencies. Financial management is consistent with this policy in that each commander is tasked with responsibility to effectively manage the funds allocated to his command. However, as a result of decentralization, execution of financial management is thus dependent on adherence to laws, directives, financial controls, and a commander's awareness of the importance of sound financial management practices.

2. The effect of decentralized management is most pronounced in the Operations and Maintenance Army (OMA) appropriation. This multi-functional appropriation, which impacts on the activities of each DA Staff agency, funds the operations of twenty-six Army commands. Management of OMA funding is decentralized to field commands due to the varied mission and base operations requirements, while the DA Staff exercises control through regulations, directives, fiscal constraints and reports.

3. While the study group supports the significant benefits of the policy of decentralization of Army financial management, the essentiality of adequate reports and management systems for DA financial control to ensure that execution parallels the Army program was evident. Failure to initiate specific fiscal controls resulted in the financial management problems of 1975. Today's parallel is the authority provided to field commands, limited somewhat by a funding floor for maintenance of real property, to shift resources between mission and base operations functions of the same fiscal program. Lack of timely DA control in this area, at a time when base operations is undergoing increased OSD and Congressional scrutiny, appears counter-productive to sound resource management. Establishment of timely reports and effective threshold controls appears critical to management of diverse program issues.

Financial Management Improvement Program

1. Massive Army investment account overobligations, in violation of Revised Statutes 3679, were discovered in 1974 which impugned the reputation of the Army as an effective financial manager. These violations led to the 1975 initiation of the Army Financial Management Improvement Program (FMIP) to reestablish the basic integrity of financial management during execution. The scope of this program was to analyze the entire financial management area and to develop specific short and long range objectives to improve fiscal management procedures.

2. Implementation of the program procedures by DA Staff agencies and field commands is still ongoing, with the COA as program manager. Continued emphasis is required to ensure the viability of the program as an institutionalized improvement of financial management procedures and techniques.

Recent Improvements

1. Areas of recent financial improvement worthy of note are the Program and Fund Control System (PFCS) and expanded budget execution review techniques.

2. The PFCS, now operational for procurement appropriations, is being expanded to all Army appropriations and should provide effective control to ensure a link between program and fund release to field commands. This automated data base system, managed by the COA, provides

a capability to closely tie Army Staff fiscal and functional managers with field commands in order to achieve improved financial management. The goal of this real time system is to provide increased control of fund release from HQDA.

3. The capability to assess budget execution against an annual plan appears adequate. Analysis provided by Boeing Executive Information System (EIS) for all appropriations, and the Budget Execution Analysis Management System (BEAMS), designed specifically for OMA, furnish the data to ensure that monthly obligation of funds by appropriation and FYDP program is executed in consonance with field command plans.

4. Further execution review improvements are necessary to ensure that field command obligations coincide with the Army program. An example of increased emphasis determined by the study group as important is discussed at Section C. to this chapter and included in the periodic SELCOM/CSA formal execution (program and budget) displayed graphically at Table VII-C-4. Current review is further hampered by the fact that cited financial reporting systems do not contribute to management of functional issues. For example, monthly obligation of funds to support a function such as POMCUS, Environmental Training or ALO Increase are not identifiable in either of the two mentioned analysis systems. Also, there is difficulty in translating obligations at AMSCO level of detail into field command execution of funded functional issues. This is particularly evident when a functional issue is multi-appropriation or multi-FYDP program funded. In brief, management follow-through is severely hampered by existing policies, procedures, and systems. Although significant improvements have been made, more are needed.

Section B. Staff Directorship Responsibilities

Problems

1. Existing General Staff responsibilities of COA require both proponenty and non-proponenty perspectives.
2. COA is responsible for OMA decisionmaking but without a functional basis on which to make funding or tradeoff decisions.
3. COA involvement in functional issue funding decisions limits his resource management review role.

General Discussion

1. The problems outlined in this section represent shortcomings in the existing organizational process but do not of themselves require organizational realignment. However, when viewed in terms of recommendations made to expand the role of the COA by assignment of General Staff responsibilities for Programing (addressed at Chapter VI) and total Army Resource Management Review (addressed at Section C of this chapter), solution of these problems becomes increasingly important.
2. Staff responsibilities and relationships of FYDP program and program element directors (CSR 11-5), as well as Staff budget responsibilities (CSR 37-4), were analyzed in detail. Shifts in agency responsibilities are required only with respect to the OMA appropriation and Army Industrial Fund (AIF) management (addressed separately at Chapter XIII).
3. COA directorship responsibilities for the OMA appropriation (and FYDP and administrative Base Operations programs within) require a degree of "proponenty." That is to say, while the Organizations and Functions Manual of that agency clearly states a resource management review responsibility, the COA is required to represent a single appropriation during resource allocation or tradeoff decisionmaking, often by the SELCOM. While the two missions are not necessarily mutually exclusive, the appropriation responsibilities detract from the agency's independent review role.
4. The terms "Appropriation Director" and "Program Director" are confusing when examined with respect to responsibilities for fiscal and functional management. While CSR's 11-5 and 37-4 discuss the relationships and responsibilities between the two, there is no clear connotation of the role of the appropriation director in fiscal management. With the development of the Program and Fund Control System (PFCS), separate but integrated program and fund release by the functional and fiscal managers is becoming an attainable goal for all Army appropriations. The COA should retain fiscal management responsibilities at HQDA level for administrative fund control, accounting, certification, financial reporting,

and adherence to fiscal laws. Appropriation and Program Director responsibilities must be clarified in all regulations and directives to stipulate functional program management related guidance, direction and coordination. Fiscal and functional directorship responsibilities for Army appropriations and programs incorporating the recommendations of this chapter section are displayed at Table VII-B-1.

5. The study group recognized the intent of the 1974 DA Staff Reorganization to align program/budget responsibilities closely with agency functional management responsibilities. As a result, cross-functional areas such as the OMA appropriation, Base Operations and FYDP Program 9 (Administration) could not readily be identified with a Staff agency other than COA. While a cross-functional coordinator was sought, one essential ingredient for effective resource recommendations and decisions was neglected - the functional basis on which that coordinator could develop those recommendations or decisions. The thrust of each recommendation proposed in this section is to closely link Staff responsibilities for resource and functional management.

1. FINDING:

Directorship responsibilities for the OMA appropriation, Base Operations Administrative Program 11, FYDP Program 9, and Base Operations Administration account (N) should be transferred from the COA to other Staff agencies.

DISCUSSION:

- a. The OMA appropriation is the sole Army appropriation for which the COA is director. Additionally, that Staff agency is also designated Program Director of Base Operations Administrative Program 11, Program 9 (Administration), and Manager of the Base Operations Administration Account (N). No implication that program and functional account management results in favored treatment within the OMA appropriation is intended. In fact, the opposite result may occur due to analytical attempts to balance funding allocations. Nevertheless, the fact that the COA, charged with resource review, is also a single appropriation proponent must be recognized.
- b. Although the Assistant Vice Chief of Staff office was disestablished in 1974, the DA Staff still looks to OCSA for total resource management review. This service is now provided by PA&E, although that agency is not charged with responsibility for routine resource management review. The study group identified the need to expand the role of the COA to include total Army Resource Management Review. This function is discussed at Section C of this chapter.

FUNCTIONAL DIRECTOR

COA COA COA COA COA COA COA COA COA COA COA

Responsibilities--

Administrative Fund Control,
Accounting, Certification,
Reporting, Status,
Compliance with FM limits
and laws.

DCSPER
DCSRDA
DCSRDA
COE
DCSOPS
NGB
NGB
NGB
CAR
CAR
CAR

Responsibilities--

**Release of program
authority, functional
controls and limits,
effective program
direction and management.**

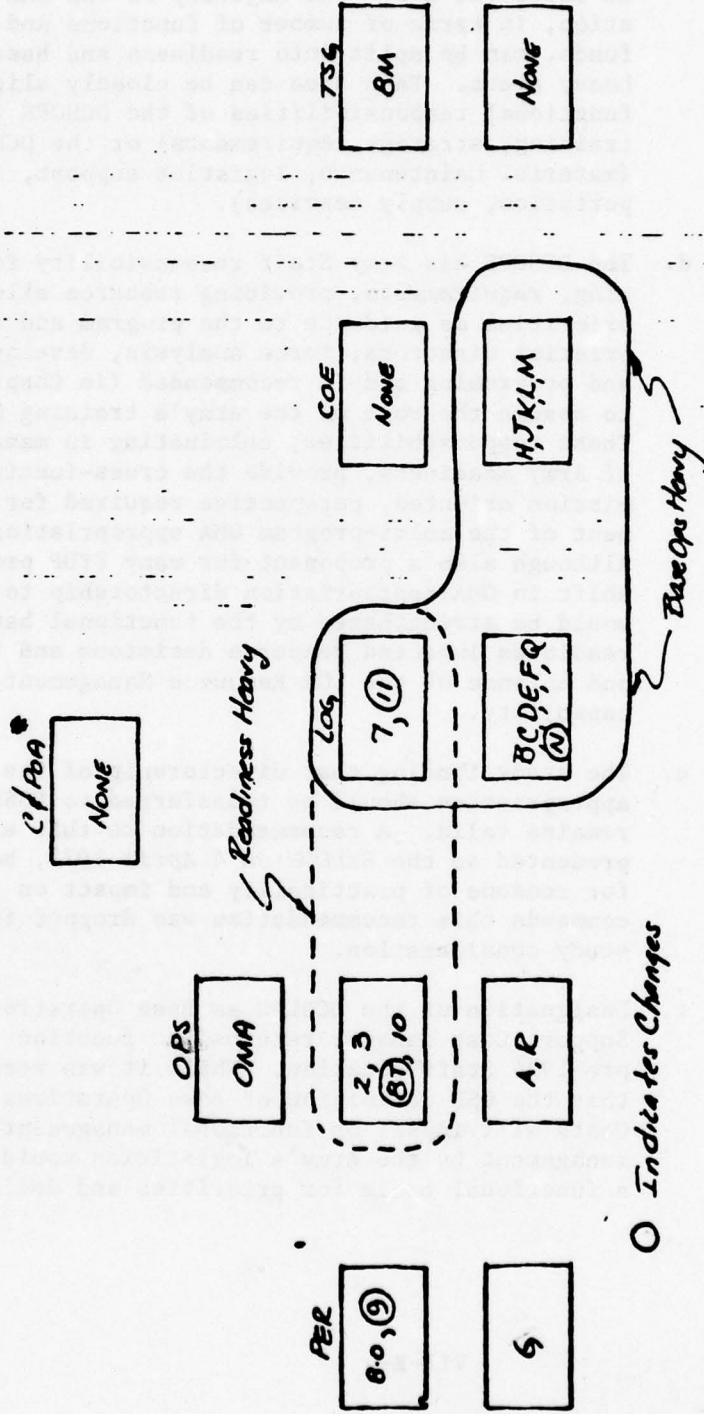
OMA PROGRAM

2	-	-	-	-	-	-	-	-	-
3I	-	-	-	-	-	-	-	-	-
3C	-	-	-	-	-	-	-	-	-
3O	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-
8M	-	-	-	-	-	-	-	-	-
8O	-	-	-	-	-	-	-	-	-
8T	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
EASOPS	-	-	-	-	-	-	-	-	-

Table VII-B-1

- c. The COA has no functional basis on which to make resource decisions with respect to the appropriation, programs, or functional account. Each, though cross-functional in nature, can be identified more closely with the functional authority and responsibility of another Staff agency, as displayed at Table VII-B-2. The majority of the OMA appropriation, in terms of number of functions and associated funds, can be split into readiness and base operations heavy areas. Each area can be closely aligned with functional responsibilities of the DCSOPS (readiness, training, strategy requirements) or the DCSLOG (materiel maintenance, logistics support, transportation, supply services).
- d. The DCSOPS has Army Staff responsibility for planning, requirements, providing resource allocation priorities as guidance to the program and appropriation directors, force analysis, development and programing and is recommended (in Chapter VIII) to assume the role of the Army's training manager. These responsibilities, culminating in management of Army Readiness, provide the cross-functional, mission oriented, perspective required for management of the multi-program OMA appropriation. Although also a proponent for many FYDP programs, shift in OMA appropriation directorship to DCSOPS would be strengthened by the functional basis for readiness impacted resource decisions and the check and balance of the COA Resource Management Review capability.
- e. The study finding that directorship of the OMA appropriation should be transferred to DCSOPS remains valid. A recommendation to that effect was presented to the SELCOM on 4 April 1978, however, for reasons of practicality and impact on field commands this recommendation was dropped from further study consideration.
- f. Designation of the DCSLOG as Base Operations Support Cost manager returns the function to the pre-1974 Staff location. While it was recognized that the OSD definition of Base Operations Support Costs will impact on functional management, management by the Army's logistician would provide a functional basis for priorities and decisions.

OMA / FYDP PROGRAM & BASE OPS ACCOUNT RESPONSIBILITIES



* Notionally displayed to indicate Programming function to COA - Comptroller and Programmer of the Army.

Table VII-B-2

The role of the DCSLOG in Base Operations management is summarized at Table VII-B-2a. Table VII-B-2b addresses the impact of proposed DCSLOG BASOPS management on the Staff. Additionally, should the recommendation of the Chief of Engineers RPMA study to implement an Administrative Program 12 be approved, that would serve only to further refine the process by splitting out those areas now functionally managed by the COE from existing BASOPS functions. This solution would charge the DCSLOG to manage what then could be designated - Troop Support Activities.

- g. The COA now has program directorship responsibility for only approximately 3% of the Army Budget. Concurrently, with respect to Base Operations, DCSLOG manages in excess of 30% of the functional program dollars in Administrative Program 11.
- h. The study group recognized that Program 9 and Base Operations Administration Account (N) are not closely compatible with the existing functions of DCSPER and DCSLOG respectively. In fact, a less than optimal solution would be for the COA to retain management responsibility for both. However, as a result of the proposed shifts in OMA directorship (to include Program 8-T from DCSPER to DCSOPS discussed at Chapter VIII) to focus the COA on Resource Management Review, the requirement to better spread the program/budget workload across the Staff was recognized. The Director of Management as the Program 9 director was recognized as a viable alternative. However, this would require DAS assumption of functional management responsibilities for a program tied to field commands as well as the DA Staff. In this regard, directorships of Program 9 and Base Operations account N should be transferred to DCSPER and DCSLOG (as the proposed Base Operations Support Cost functional manager) respectively.
- i. Shifts in appropriation/program/Base Operations functional account management responsibilities discussed in this chapter section would realign the cross-functional management of OMA from as summarized at Table VII-B-3 to the management organization displayed at VII-B-4.

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HOW WOULD A DCSLOG BASOPS DIR OPERATE?

PAGE/DAB issues Program and Budget guidance (both \$ and mpr)

OMA Dir issues \$ guidance to BASOPS Dir

BASOPS Dir issues \$/mpr guidance to functional act mgr's

Functional act mgr's prep + submit route

P-11 mgt analyzes F.A. requests -

{ Account
Account by Major Program
BASOPS by Major Program
Account by Command
BASOPS by Command

BY

{ Priorities + guidance
Approved Program + Budget
PARRs and COBES
Utilization Data
Standards of Effectiveness

VS

{ Adequacy of support
Adequacy of justification
Economy of operations
Alternative solutions
Trade-off options
Program - Budget - Execution continuity

TO

ENSURE

BASOPS mgr provides OMA Appropriation Director (COA) with:

program prioritized requirements
program justification
program integration
program management

Table VII-B-2a

IMPACT OF DCSLOG BASOPS MANAGEMENT

On MACOMS

- o Refocus of MACOM links from a DA level BASOPS program administrator to a program manager
- o No change in staff communication between MACOM and DA functional managers
- o MACOM BASOPS managers, predominately Comp/DCSRM, retain interface with COA/OMA director for information and fiscal issues
- o Reduction in intra-program reprogramming flexibility (BASOPS ↔ MSN) - establishment of DA management controls/thresholds necessary to provide an effective BASOPS program management capability

On COE

- o COE retain RPMA program management responsibilities - functional integration among RPMA accounts and with MCA
- o COE input RPMA resource requirements to a BASOPS manager, charged with cross-functional balance of support programs on a functional basis
- o Provides a DA level spokesman charged with integrating RPMA activities into a functionally oriented BASOPS program

On Other BASOPS Functional Managers

- o More effective integration of functional resource requirements based on a functionally related resource distribution, by function and command
- o Expansion of existing direct management responsibility for functional activities to include addressal of total associated resources

On DCSLOG

- o Becomes integrator of DCSLOG managed BOS functions with those functions managed by other agencies within a viable supporting program
- o Requires expansion of the current BOS management process - increased capability/management support

Table VII-B-2b

CURRENT ORGANIZATION FOR MANAGEMENT OF OMA

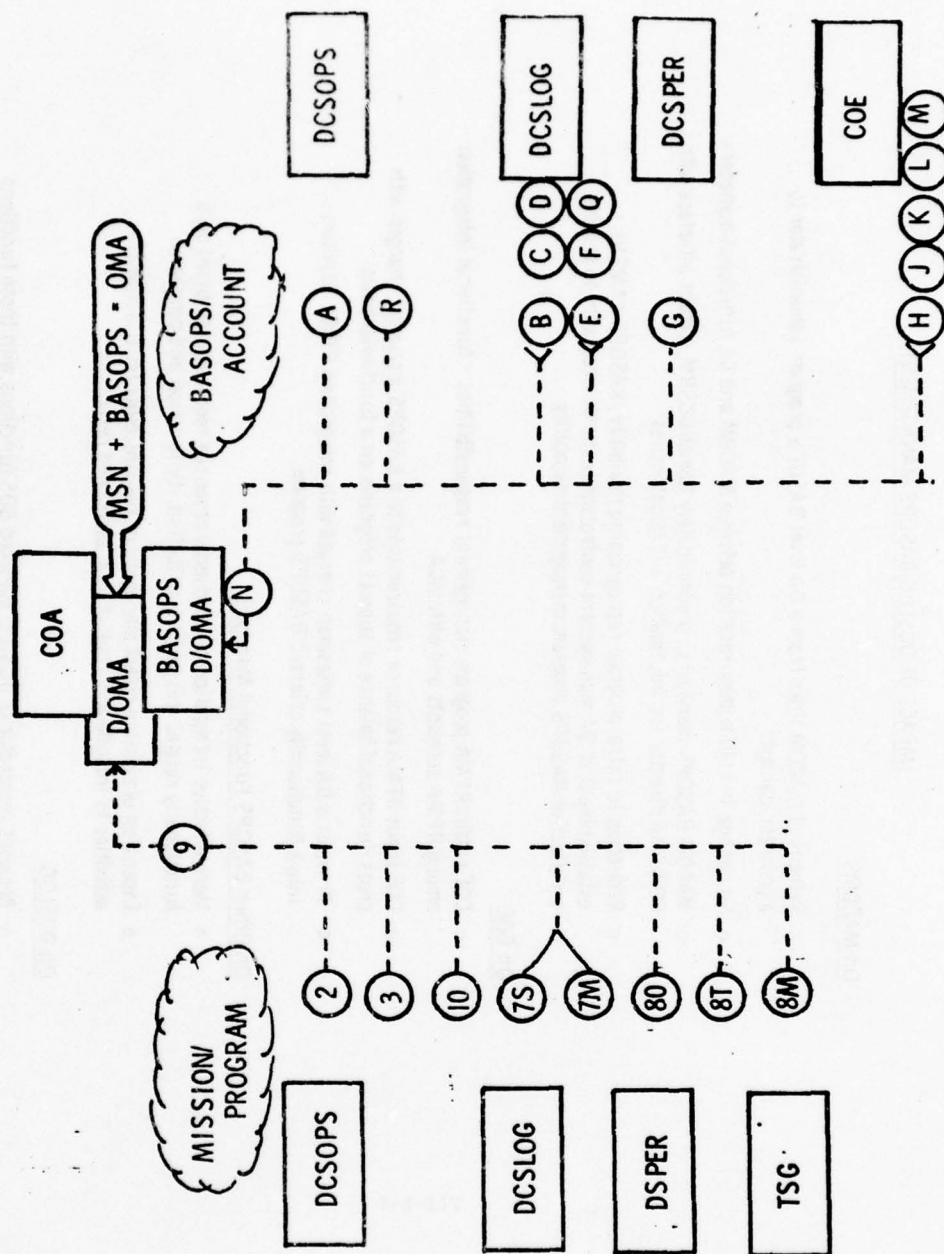


Table VII-B-3

RECOMMENDED ORGANIZATION FOR MANAGEMENT OF OMA

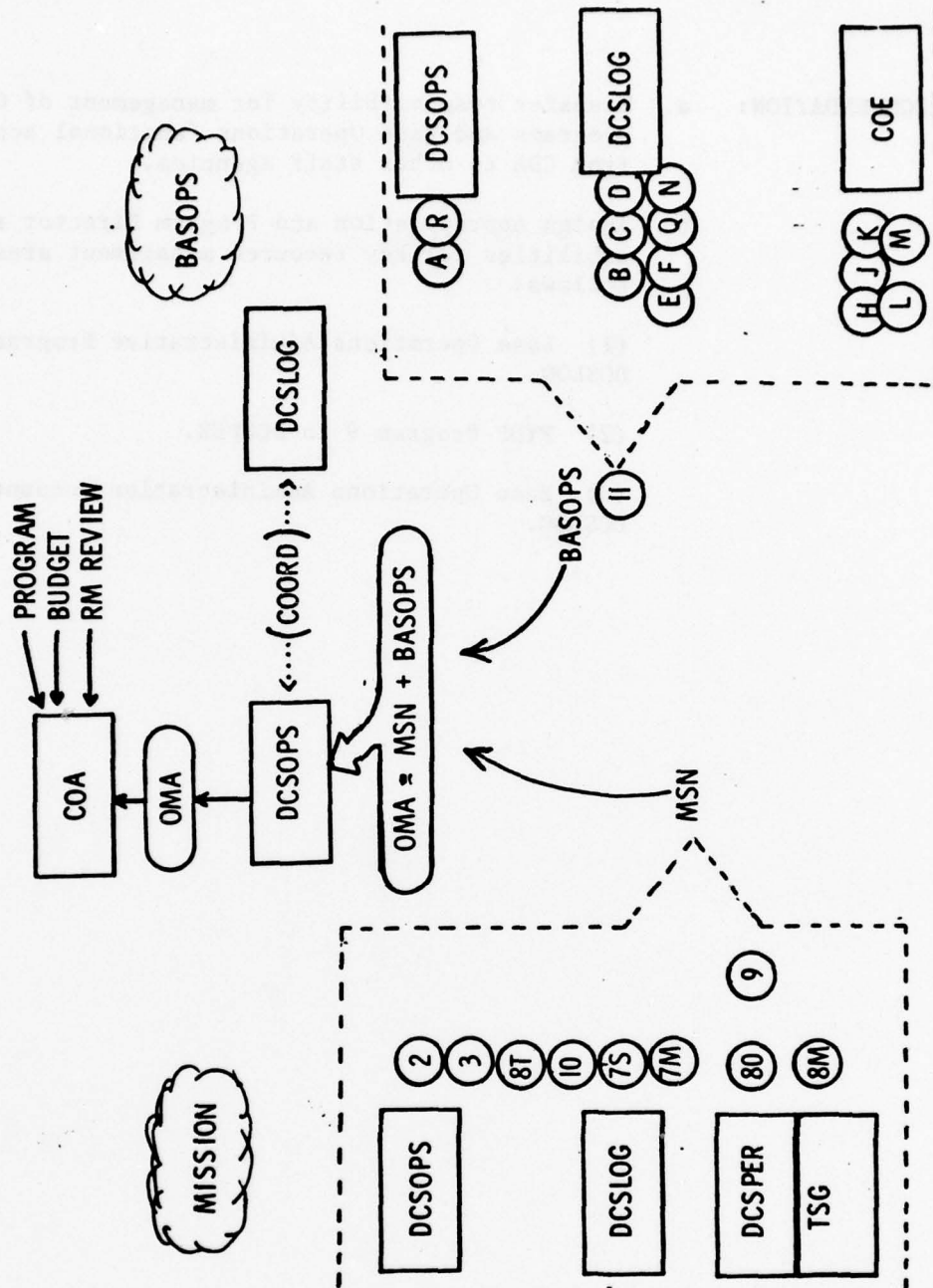


Table VII-B-4

RECOMMENDATION:

- a. Transfer responsibility for management of OMA programs and Base Operations functional account from COA to other staff agencies.
- b. Assign Appropriation and Program Director responsibilities for key resource management areas as follows:
 - (1) Base Operations Administrative Program 11 to DCSLOG.
 - (2) FYDP Program 9 to DCSPER.
 - (3) Base Operations Administration account (N) to DCSLOG.

Section C. Resource Management Review

PROBLEMS

1. No single General Staff agency has the capability to provide a total resource evaluation for an action or issue.
2. Although the COA is charged with resource review responsibility, the focus is largely on dollar management. Most total resource management review now falls to OCSA (PA&E) by default.

PROBLEM IMPACT

1. The lack of DA Staff capability to provide an overall resource review evaluation for any action or issue in terms of functional requirements, Army goals, policies and priorities, cost effectiveness, affordability, and external constraints forces OCSA (PA&E) into a "fire fighting" or "crisis management" role which detracts from accomplishment of assigned Programming responsibilities. Additionally, attempts to address total resource implications of major issues or PPBS events often result in committee solutions since no single agency looks across the spectrum in sufficient detail.
2. Increased OSD/OMB Congressional interest in integrated resource management occurs at a point in time when the Army does not have a resource manager, nor an effective resource management reviewer. This is compounded by the lack of operational definitions for the terms "resource" or "resource management." While various publications and directives indicate the intended use of the words parenthetically, no standard definition exists with which to charge a Staff principal with responsibility for management or review of. The RMSG proposes the term "resource" to include all manageable assets, to include time, and suggests this definition be added to the Army Dictionary of terms.
3. The limited capability for timely resource management review to ensure integration of program requirements impacts on the Army's ability to fully justify requirements to OSD and the Congress. Additionally, it provides the potential for adverse impact on subordinate commands in terms of resource disconnects between DA level approved issues and the assignment of missions without adequate resources (CSR 11-9 notwithstanding). An example is the effect on field commands resultant from DA procurement decisions. Changes in procurement programs leading to revised fielding dates affect numerous functional programs across many appropriations, each of which must be synchronized to provide resources to field commands neither too early, nor too late. A specific example is the development of DRAGON. As part of the materiel acquisition process, the need to develop institutional training to support equipment fielding schedules is a must. To provide equipment to field commands without the necessary training package can adversely impact on readiness, exactly opposite the intent of the decision to implement the new system. The role of a Resource Management Reviewer is to ensure all the pieces are tied together, not just manpower and dollars.

1. FINDING:

No total resource management review or evaluation capability currently exists as part of the normal Staff action/issue process.

DISCUSSION:

- a. Concurrent with functional staffing, there is a real need to consider the total resource impact of each action or issue. While current directives force staffing with the COA, appropriation and program directors, as well as the manpower and personnel managers, no singular resource overview is conducted in terms of goals, policies, priorities, affordability, OSD or Congressional constraint for actions which may be cross-functional or cross appropriation impacting, unless it is by committee--BRC, PGRC, SELCOM--or within OCSA (PA&E).
- b. Functional decisions often impact on programs and resources beyond the functional authority of a single Staff agency. While coordination between agencies with an interest is the simple answer, the fact is that identification of total resource requirements and the interrelationships of one issue with many diverse functional programs remains a continuing problem. The responsible agency may not be aware of the resource impact on other agencies. One example of an issue is an ALO increase which impacts not only on manpower and personnel managers but additionally on recruiting, training, force readiness, family housing, construction, base operations support costs, and potentially on procurement and equipment distribution plans. Integration of total resource impacts are now difficult at best, yet there is no review as part of the staffing process to ensure an optimal resource balance.

RECOMMENDATION:

- a. Require mandatory Resource Management Review for any action if the results of an action exceeds the functional authority and resources of the Staff agency responsible for processing the action.
- b. Incorporate evaluation into the DA Staff resource management process to ensure integration of plans, programs, and budgets, with goals, guidance, and directives.

2. FINDING:

The Comptroller and Programer of the Army (C&POA) would provide the Staff capability for effective Resource Management Review.

DISCUSSION:

- a. The development of a Comptroller and Programer of the Army (C&POA) concept (organization and key functions displayed at Table VII-C-1), achieved by assignment of staff responsibility for Programing (discussed at Chapter VI) to the COA and elimination of COA directorship responsibilities (discussed at Section B to this chapter), provides a nucleus for the Resource Management Review functions. The Programer, located within the office of the Comptroller, tasked with coordinating resource requirements for diverse functional programs from program development through to execution, proved in each scenario analysis best suited to provide a total resource evaluation in coordination with the Budgeteer, the Cost Analyst, the Manpower Manager, and Appropriation and Program Directors. The resource management staffing procedure and detailed Resource Management Review process required to successfully integrate this new Comptroller function are graphically displayed at Tables VII-C-2 and VII-C-3.
- b. The study group recognized that certain issues may be so cross-functional in nature that additional coordination is required prior to issuance of a C&POA resource management position. In those specific cases a Program Budget Committee (the amalgamation of the existing BRC and PGRC, but chaired by the C&POA, and without a subordinate relationship to the SELCOM) to coordinate the resource implications of sticky issues would contribute to effective resource evaluation.
- c. The concept of Resource Management Review as a staff responsibility of the C&POA greatly expands the role of the Comptroller. No longer would the focus be on pure fiscal management, but rather represent the resource overwatch for management of the Army Planning, Programing and Budgeting Process.
- d. The concept discussed does not put the C&POA into a decisionmaker role. His responsibility would be to evaluate actions/issues in terms of a resource management position. His position should provide resource basis for functional decisions, not "drive the Staff." The elimination of OMA functional

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ORGANIZATIONS & KEY FUNCTIONS OF C & POA

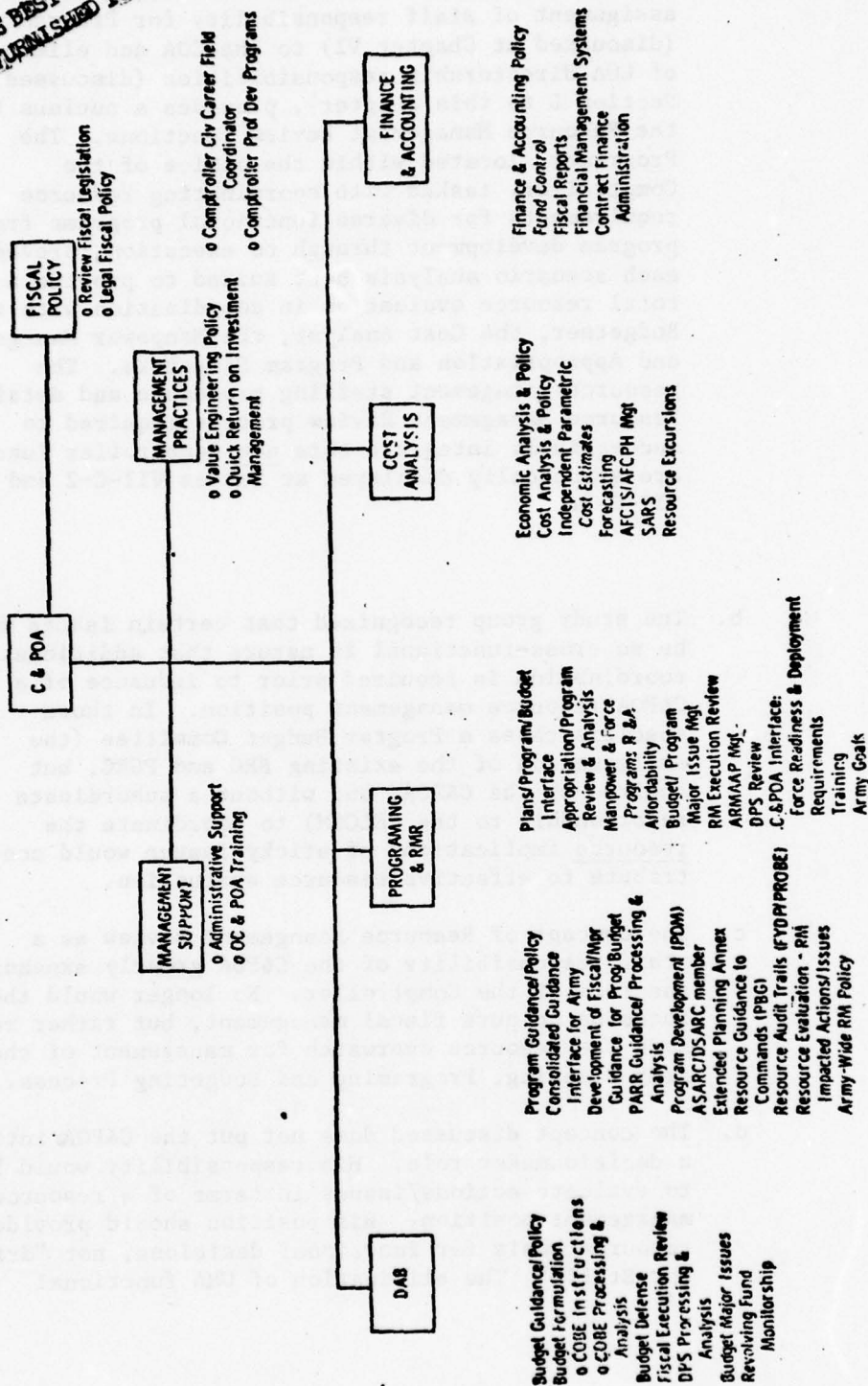


Table VII-C-1

RM STAFFING PROCEDURE

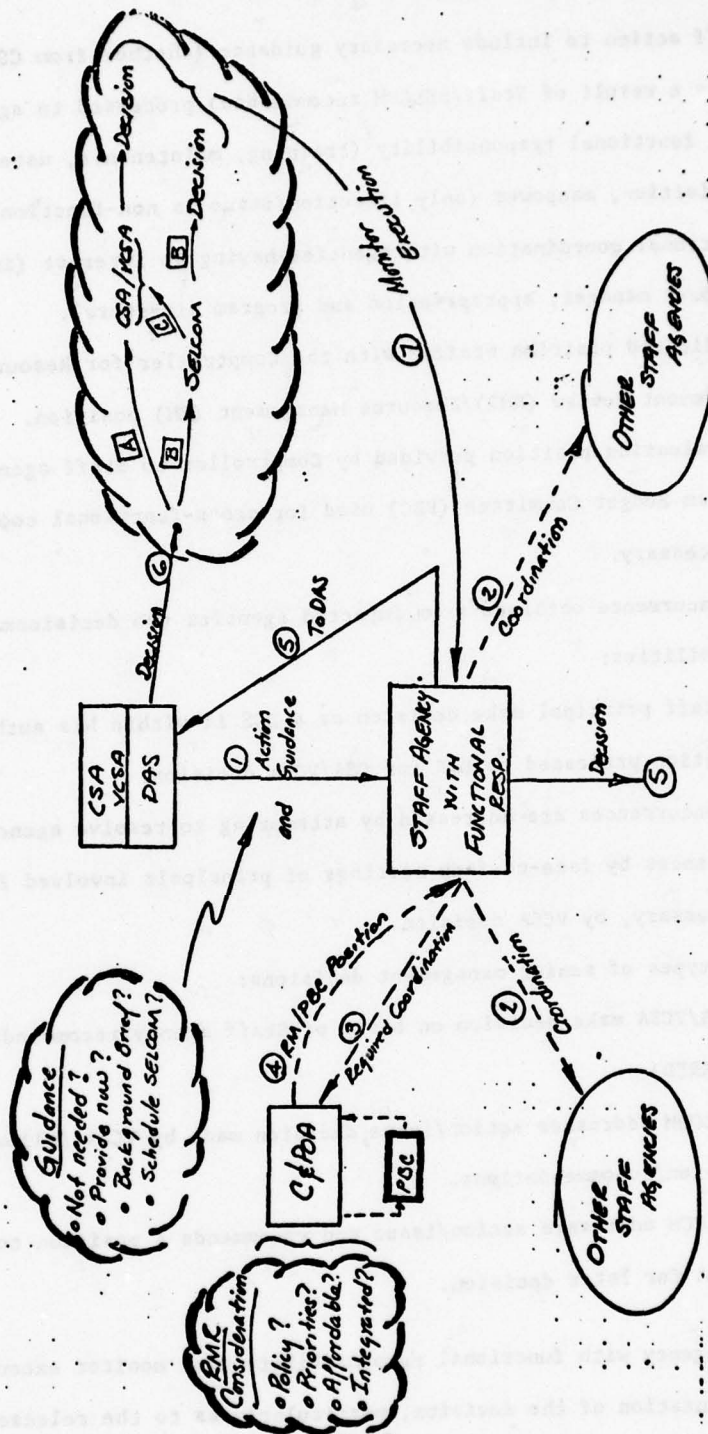


Table VII-C-2

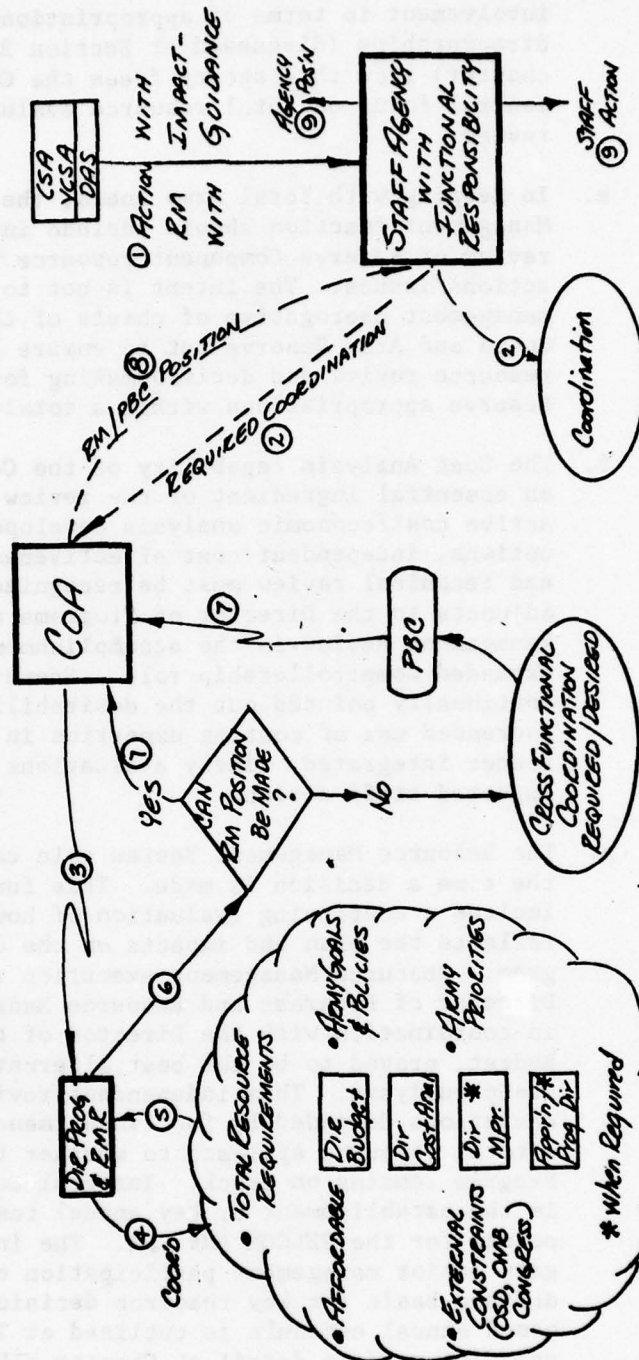
KEY FEATURES
 Guidance
 RM Review
 PSC under COA
 Decision Process

EXPLANATION OF TABLE VII-C-2

RESOURCE MANAGEMENT STAFFING PROCEDURE

- ① Staff action to include necessary guidance (whether from CSA/VCSA or as a result of Staff/SELCOM recommended) processed to agency with functional responsibility (training, maintenance, materiel acquisition, manpower (only if action/issue is non-functional)).
- ② Functional coordination with agencies having an interest (including manpower manager, appropriation and program directors).
- ③ Coordinated position staffed with the Comptroller for Resource Management Review (RMR)/Resource Management (RM) position.
- ④ RM evaluation/position provided by Comptroller to Staff agency. Program Budget Committee (PBC) used for cross-functional coordination as necessary.
- ⑤ If concurrence obtained from impacted agencies two decisionmaking possibilities:
 - a. Staff principal make decision as a DCS if within his authority.
 - b. Action processed to DAS for CSA/VCSA decision.Non-concurrences are addressed by attempting to resolve agency differences by face-to-face meetings of principals involved followed, if necessary, by VCSA decision.
- ⑥ Three types of senior management decisions:
 - a. CSA/VCSA make decision on basis of Staff agency recommendation (PREFERRED)
 - b. SELCOM addresses action/issue, decision made by VCSA following discussion/recommendations.
 - c. SELCOM addresses action/issue and recommends a position to CSA/VCSA for later decision.
- ⑦ Staff agency with functional responsibility must monitor execution/implementation of the decision, particularly as to the release of resources to field commands by other agencies as required by the decision.

RESOURCE MANAGEMENT REVIEW PROCESS



VII-C-7

Table VII-C-3

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involvement in terms of appropriation and program directorships (discussed at Section B to this chapter) from this agency frees the C&POA for a central focus on total resource evaluation and review.

- e. In keeping with Total Army goals, the Resource Management function should include integration and review of Reserve Component resource impacted actions/issues. The intent is not to subvert the management prerogative of chiefs of the National Guard and Army Reserve but to ensure integration of resource review and decisionmaking for the six Reserve appropriations within a total-Army process.
- f. The Cost Analysis capability of the Comptroller is an essential ingredient of the review function. Active cost/economic analysis developed resource options, independent cost effectiveness analysis, and technical review must be recognized as key adjuncts to the Director of Programs and Resource Management Review in the accomplishment of this expanded Comptrollership role. Scenario analysis continually pointed out the desirability of an increased use of costing expertise in order to render integrated, timely evaluations of resource impacted staff actions.
- g. The Resource Management Review role cannot stop at the time a decision is made. This function must include a continuing evaluation of how execution reflects the plan and impacts on the out-year program. Resource Management execution review by the Director of Programs and Resource Management Review, in coordination with the Director of the Army Budget, proved to be the best alternative in study group analysis. This independent review, with plan deviations defended by functional managers, affords a total resource approach to whether the Army Program remains on track. Integral to this concept is the establishment of key annual resource decision points for the SELCOM AND CSA. The intent is to gain senior management participation on a regular defined basis for key resource decisions. A proposed annual schedule is outlined at Table VII-C-4 and discussed in detail at Chapter XIV.

RECOMMENDATION:

Charge C&POA with DA Staff responsibility for Resource Management Review.

MONTHLY SELCOM SCHEDULE
 (SELCOMs which should be attended by the
 Representing 'Key Decision Points'
 (FY79 Represented)
 CSA are indicated)

<u>27 (CY78)</u> <ul style="list-style-type: none"> • Program Review FY81-85 • Oct 78 (FY79 Goal) 	<u>Nov (CY78)</u> <ul style="list-style-type: none"> • ANNUAL REVIEW FY78-79 	<u>Dec (CY78)</u> <ul style="list-style-type: none"> • Budget Major Issues FY81-85 • EME END FY78 CSA 	<u>JAN (CY79)</u> <ul style="list-style-type: none"> • Cg Major Issues FY81-85 • Jan 79 FY80, 81 	<u>FEB (CY79)</u> <ul style="list-style-type: none"> • Program FY81-85 • Non-power Fiscal Guidance FY81-85 	<u>MAR (CY79)</u> <ul style="list-style-type: none"> • Program Priorities FY81-85 • EME 1st Qtr FY79 CSA
<u>1 APR (CY79)</u> <ul style="list-style-type: none"> • Program Review FY81-85 	<u>MAY (CY79)</u> <ul style="list-style-type: none"> • Annex J FY81-85 • May 79 FY 80, 81, 82 	<u>JUN (CY79)</u> <ul style="list-style-type: none"> • EAP & EAP Affordability • EME 2nd Qtr FY79 CSA 	<u>JULY (CY79)</u> <ul style="list-style-type: none"> • R.M. FY81-85 	<u>AUG (CY79)</u> <ul style="list-style-type: none"> • Program Major Issues FY81-85 • FSA FY82-85 • Budget Guidance FY81, 82 	<u>SEP (CY79)</u> <ul style="list-style-type: none"> • ABE 4000 FY81, 82 • Final Budget Changes FY80 • EME 3rd Qtr FY79 CSA

Notes (unscheduled)

- Army Goals
- LOA's
- Ex's BOIP
- DRP's
- DPM's
- APM's
- Pre-ASAC's

ASAC's I, II, III
 DSAC's

Are we still on track?

EME

What has happened of significance?
 • Materiel Acquisition Impacts?
 • Nonpower Personnel Impacts?
 • Force Structure Impacts?
 • Budget Status (Execution etc.)?
 • Program Impacts?

Table VII-C-4

Section D. Alternatives

General

The study group recognized that there are feasible alternatives to the recommendations outlined at Sections B and C to this chapter, particularly in the Base Operations or Resource Management Review areas. While the alternatives listed below are not meant to be all inclusive, they represent the most feasible solutions to discussed problems. However, in no case will adoption of an alternative achieve the totality of management improvements envisioned by the study recommendations.

Base Operations

1. Alternative 1 - Transfer the directorship responsibility from COA to DCSLOG and COE as Administrative Programs 11 and 12 respectively. Management of OMA under this alternative is summarized graphically, together with other program responsibility transfers, at Table VII-D-1.

a. While the alternative closely aligns functional responsibilities of the DCSLOG and COE with responsibilities for administrative program management, the need to retain COA Base Operations fiscal/program controls is essential, particularly in light of increased OSD/Congress Base Operations emphasis and reporting requirements. Further, adoption of this alternative requires development of changes to the Army Management Structure (AR 37-100-xx) to reflect discrete identification of Program 11 and 12 resources for programing, budgeting and execution reporting purposes.

b. As in the case of the RMSG Base Operations recommendation, the role of the functional manager of each of the lettered Base Operations accounts remains basically unchanged from the current management organization. The singular area of change involves functional account resource submission to the Administrative Program 11 director (the DCSLOG) who then is charged to integrate resource requirements into an effective Troop Support Activities program.

c. An advantage of this alternative is closer alignment of resource management to the two prime Base Operations functional managers, DCSLOG and COE. This realignment, to include development of Administrative Program 12, also offers the opportunity for closer interface between OMA RPMA activities and the COE managed MCA program. However, the prime disadvantage is a split of BASOPS management responsibility at a time of increased OSD/Congressional attention to overall Base Operating Support Costs.

d. Pro's and Con's of split DCSLOG/COE Base Operations Management are outlined at Table VII-D-2.

DA STAFF RECOMMENDATION - MANAGEMENT OF OMA - SPLIT BASOPS RESPONSIBILITY

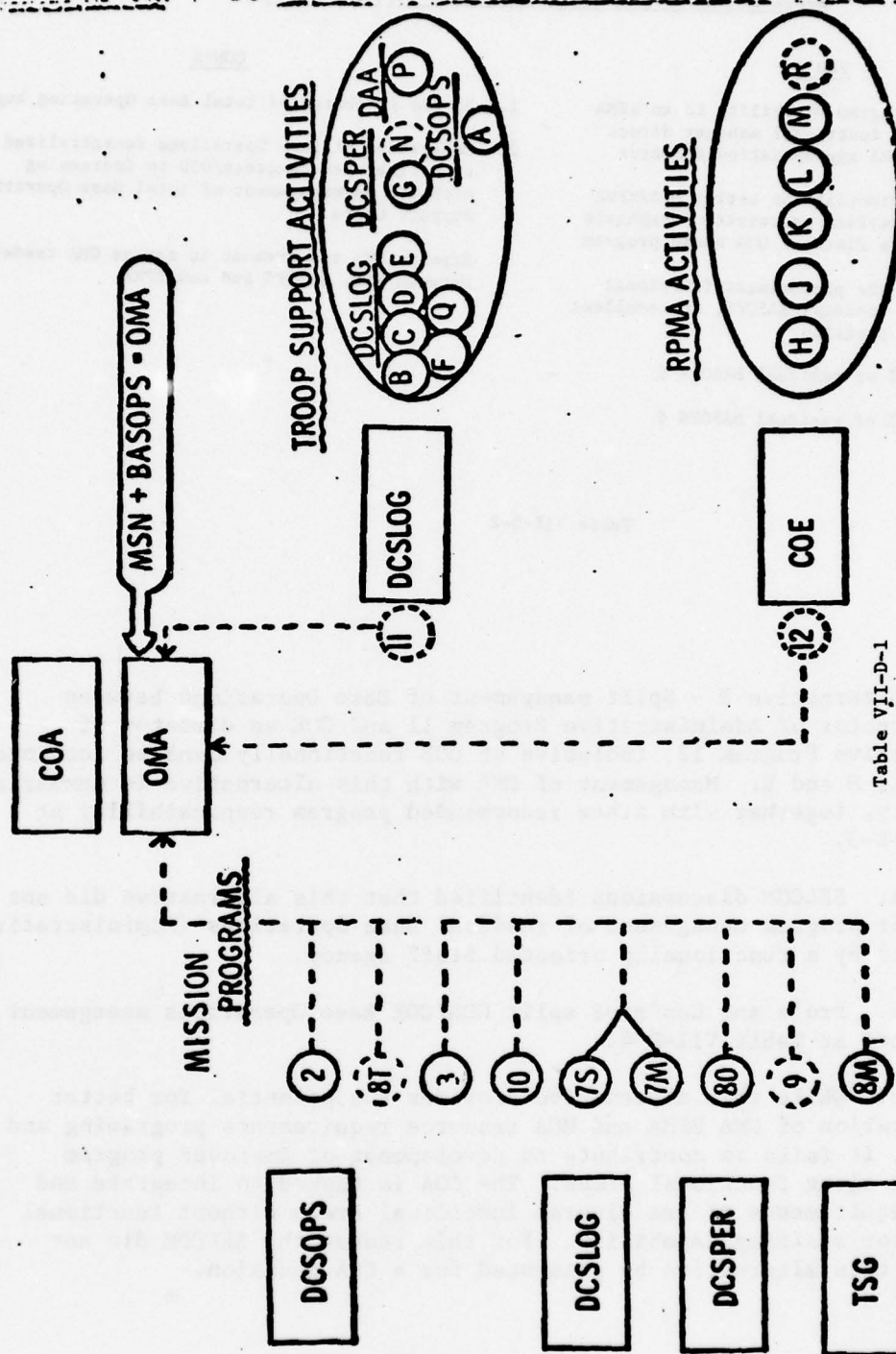


Table VII-D-1

SPLIT OF BASE OPERATIONS - RPMA (PROGRAM 12) TO COE

<u>PRO'S</u>	<u>CON'S</u>
1. Provides program visibility to an RPMA spokesman - functional manager direct link with OMA appropriation director	1. No one in charge of total Base Operating Support
2. Provides potential for better MCA/RPMA program interface as result of emphasis on RPMA as a distinct OMA admin program	2. Management of Base Operations decentralized at a time when Congress/OSD is increasing emphasis on management of total Base Operations Support Costs
3. DCSLOG, as the predominant functional manager of residual BASOPS, in excellent management position	3. Expands COA requirement to manage OMA trade-offs between MSN, BASOPS and now RPMA
- 56% of residual BASOPS \$	
- 67% of residual BASOPS \$	

Table VII-D-2

2. Alternative 2 - Split management of Base Operations between COA as director of Administrative Program 11 and COE as director of Administrative Program 12, inclusive of COE functionally managed accounts H, J, K, L, M and R. Management of OMA with this alternative is summarized graphically, together with other recommended program responsibility at Table VII-D-3.

a. SELCOM discussions identified that this alternative did not provide for program management of residual Base Operations (Administrative Program 11) by a functionally oriented Staff agency.

b. Pro's and Con's of split COA/COE Base Operations management are outlined at Table VII-D-4.

c. While this alternative provides the potential for better COE integration of OMA RPMA and MCA resource requirements programing and budgeting, it fails to contribute to development of improved program management along functional lines. The COA is tasked to integrate and balance requirements of ten diverse functional areas without functional expertise or staffing capability. For this reason the SELCOM did not recommend this alternative be presented for a CSA decision.

ALTERNATIVE 2 - MANAGEMENT OF OMA - COA/COE BASOPS SPLIT

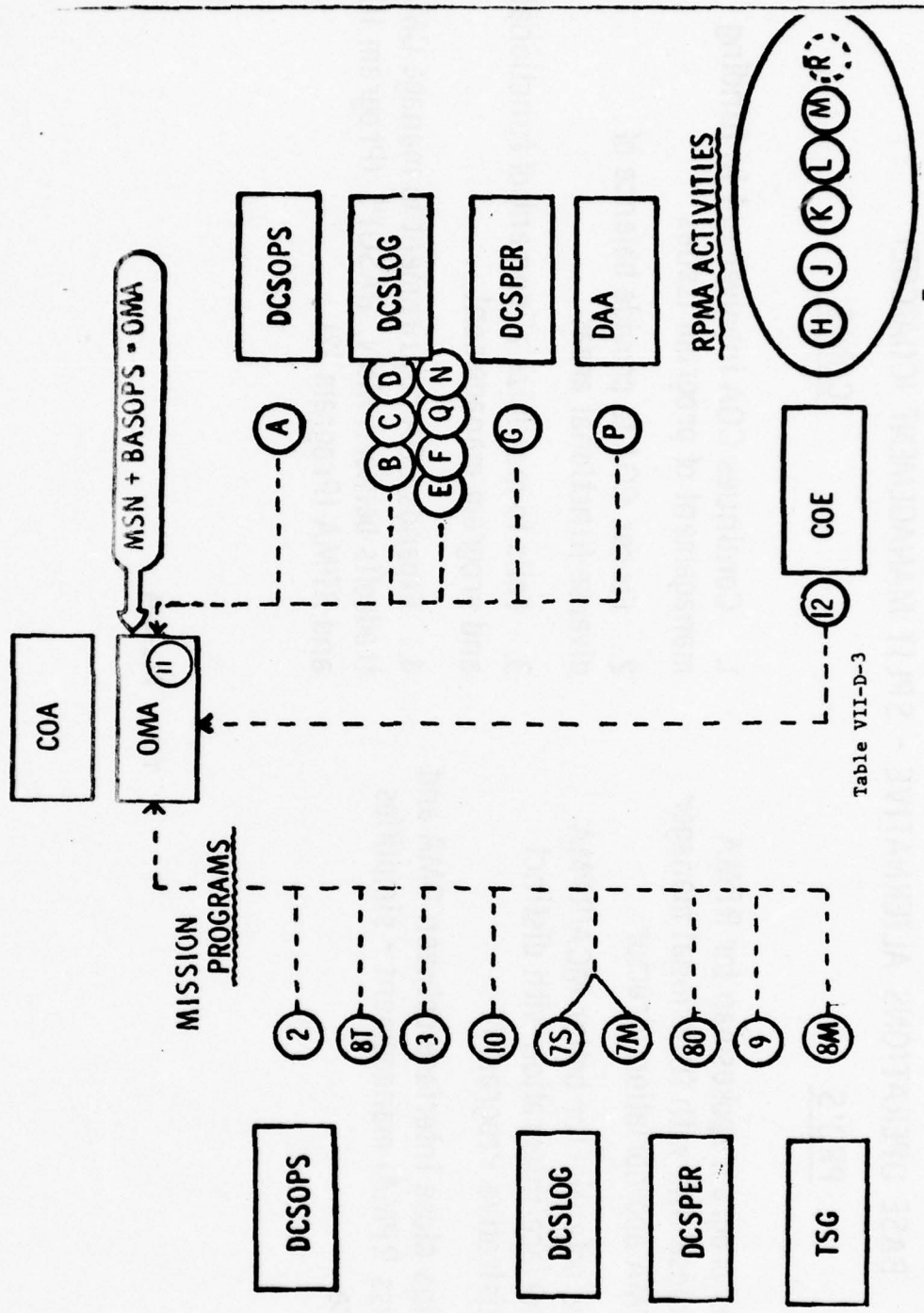


Table VII-D-3

RM/ROLE OF COA

BASE OPERATIONS ALTERNATIVE - SPLIT MANAGEMENT (COA/COE)

PRO'S

1. Provides program spokesman for RPMA activities - close link with functional manager (COE) and OMA appropriation director.
2. Provides potential for better MCA/RPMA program interface/integration with distinct OMA Administrative Program I2
3. Maintains close interface between OMA and BASOPS (less RPMA) management - simplifies OMA balance

CON'S

1. Continues COA involvement in funding management of program issues
2. Forces COA to provide balance of diverse functional areas
3. Fails to maximize alignment of functional and program management
4. Expands COA requirement to manage OMA tradeoffs between MSN, BASOPS (Program II), and RPMA (Program I2)

Table VII-D-4

Base Operations Account N

While the N Account is not closely linked with any Staff agency, an alternative which must be recognized is to shift management responsibility from COA to DCSPER. This alternative would free COA of management responsibility for a diverse account and concurrently task DCSPER with resource management of all administration type functions/program (Program 9 and Account N).

Resource Management Review (RMR)

1. A feasible alternative to COA Resource Management Review is to charge PA&E to develop such a capability on a routine basis. This alternative is closely allied to the alternative discussed at Chapter VI to retain the programing function at OCSA level.

2. Throughout the analysis of functions, and solutions to management problems, the RMSG identified that the key to an RMR capability on the Army Staff is the close link with the programing function. This is to say that from program development, and even planning before that, to execution there must be a single agency designated, not as a Czar but with ability to concur/non-concur, to review each resource impacted action as to its position with respect to Army priorities, goals, affordability, total resource integration, etc. Clearly this is partly the role of the programmer today, except that with a programmer other than in OCA, the single RMR agency lacks the capability for an effective prior-year, near year focus without either additional staffing or assistance from OCA.

3. This alternative retains the OCS level program emphasis and "fire-fighting" capability of PA&E, continues duplication of effort between PA&E and COA analysts, but does provide a DA Staff capability for RMR, a function the OCA is currently tasked with but not staffed to adequately accomplish.

4. A RM staffing procedure which summarizes staff interface with PA&E with Resource Management Review responsibility is displayed at Table VII-D-5.

5. This alternative was recommended by the SELCOM for presentation to the CSA, along with the RMSG proposal.

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RM STAFFING PROCEDURE FOR EME ALTERNATIVE #1

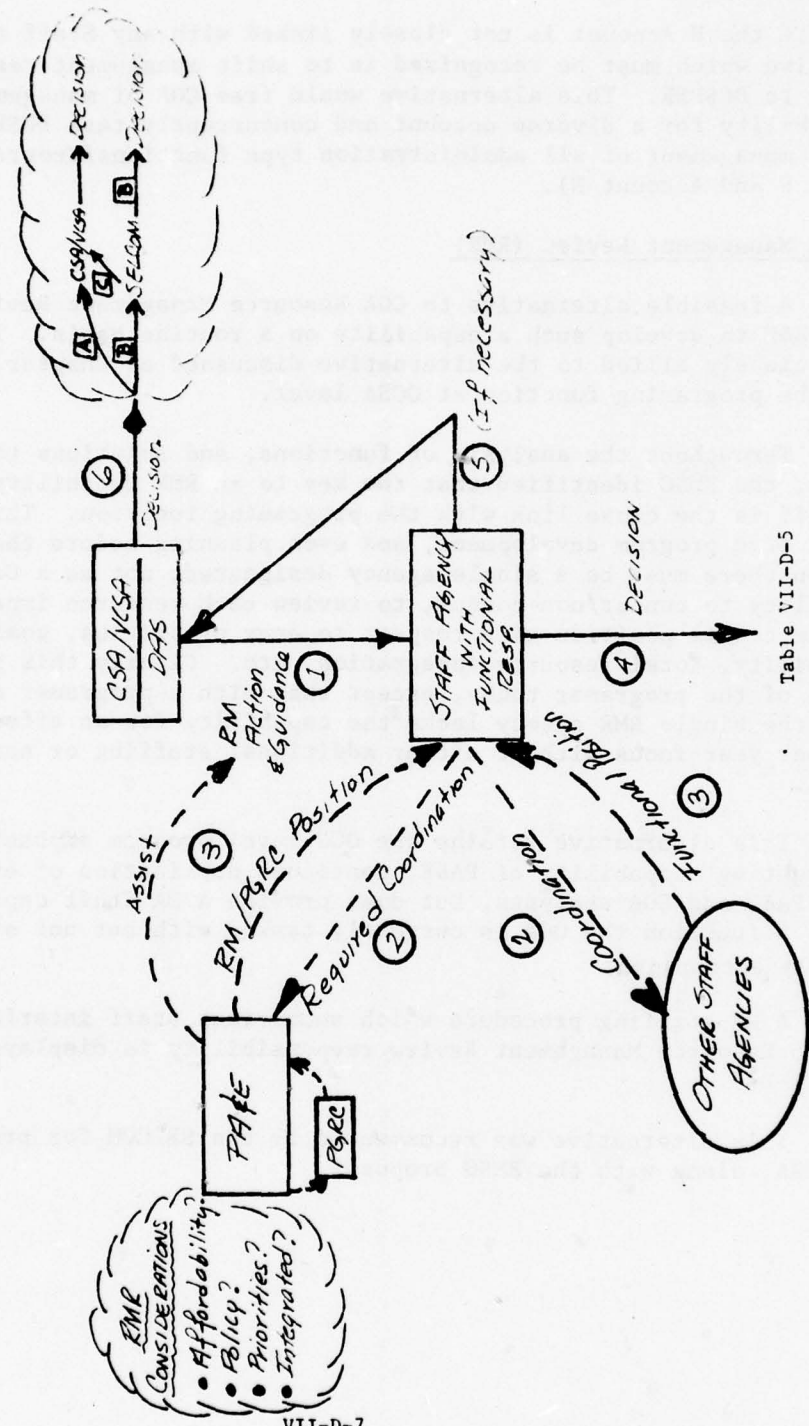


Table VII-D-5

VIII. TRAINING RESOURCES AND RESPONSIBILITY

PROBLEMS

1. Total force readiness is dependent upon the full spectrum of military training, i.e., individual, collective, unit, skill progression, professional, and professional development, all of which is difficult if not impossible to measure under our present functional fragmentation of training responsibilities.
2. Training costs in dollars and manpower are not tied to the readiness status of forces within a methodology that will withstand the detailed scrutiny of OSD/OMB analysts.
3. Tradeoffs between Program 8-T which supports individual/institutional training and Program 2 which supports training in the force are difficult to achieve under the present split responsibility where Programs 2 and 8-T are under the directorship of DCSOPS and DCSPER respectively.
4. Training research, developments, support, and evaluation must apply Army-wide for full value. TRADOC possesses the potential to optimize the value of Army training dollars; however, without centralized authority and resource support provided by a single DA staff agency charged with the Army's overall training mission, TRADOC has difficulty achieving this optimization.
5. The present division of responsibilities between training in the institution and in units constrains both trainers and unit commanders.
6. There is no single functional head on the DA Staff to provide central management and resource support for Army training.

HISTORICAL BACKGROUND

Review of Army Organization and Function manuals reveals that training responsibilities on the Army Staff were extremely fragmented prior to 1957. At this time they were consolidated under the DCSOPS. Change to AR 10-5 has DCSOPS assuming responsibility for the United States Military Academy in 1958 and the U.S. Army War College in 1961. Prior to 1958 USMA had been treated as an Army Field Command. Training remained with DCSOPS until 1963 when the responsibility for individual and unit training along with USMA and AWC were transferred to ACSFOR. In 1966 responsibility for individual training, less aviation flight training and foreign military training, was shifted to DCSPER along with USMA and AWC. ACSFOR retained responsibility for training concepts, policies and programs for units of the Active Army, and when federalized the reserve components. ACSFOR also retained responsibility for training literature, ammunition for training, training aids, new equipment for training and determination and monitorship of the status of training facilities. With

the disestablishment of ACSFOR in 1974 all these training functions were shifted to DCSOPS along with the AWC which moved from DCSPER.

GENERAL DISCUSSION

1. To appreciate the problems stated, one must understand that the training of Army personnel is a dynamic process in which virtually every Army staff agency and major command participates. Every soldier has been both a trainee and a trainer in the majority of cases. Training has historically been recognized by Army leaders as the Army's number one priority, especially in peacetime environment when our greatest incentive is to deter a future war with well trained and equipped standing forces. The total Army Goals published by the Secretary of the Army and Chief of Staff of the Army, 21 Sept 77, stated the Readiness Goal as: "Prepare the Total Army for rapid transition to combat, fully capable of performing its wartime mission." Within this goal the following training readiness goals were established.

a. "Training techniques, both in the training base and in units, will take into consideration the increased capability of weapons, the potential of the soldier, and the increased cost--in time and money--of training."

b. "Soldiers will be trained to the capability of their weapon or equipment in less time at tolerable cost. Crews will be trained to achieve consistently the full design potential of their systems."

c. "Units will train as they will fight. They will learn the tactical applications of weapons and equipment as components of their parent organizations. All units will strive for the high standards of Army Training and Evaluation Programs and related operational readiness tests within the tolerable limits of space, time, and cost."

d. "Commanders will bring subordinate leaders abreast of innovations in training and doctrine. All leaders will conserve training time and cost, and minimize interference with individual training on complex weapons. Field training exercises with troops at company level and above should be preceded by war games, exercises, or simulations and, then, by tactical exercises without troops."

e. "Training costs can be cut without reducing effectiveness through greater reliance on simulators, self-paced instruction, one-station unit training, and a training support system for commanders."

2. Training is expensive, particularly when one considers that its cost is measured in billions of dollars and hundreds of thousands of manyears of effort, neither of which the Army can measure with any precision. While every appropriation contributes resources to the training

mission, it is difficult to delineate and quantify these resources separately. Training costs can be associated with a lengthy list of activities and items, i.e., instruction, facilities, training developments, land acquisition, maneuver damage, equipment loss, logistic support, training aids, training literature, transportation and TDY, simulators, CPX's, FTX's, ARTEP's and manpower. It is unrealistic to believe that all training costs can be measured accurately in dollars, but it is important that the Army be able, with a high degree of confidence, to answer the following type questions:

- Is it more expensive to conduct AIT in the institution or the unit?
- What are the relationships between readiness status and training resources?
- What is the skill decay rate, by MOS, and how best solved?
- What training devices are needed? Cost? How, where and when are they best used? What is the relative value of use?

3. Increased competition for the defense dollar and the incessant challenge by analysts to do better with less require intense management and justification of Army requirements. With an increasing defense budget and the concern over the use of scarce energy resources, it can be anticipated that OSD and Congress will continue to force unprogramed reductions in the training institution. Defense against these reductions and development of sound tradeoffs require more than the professional assessment of senior soldiers. It requires professional, analytical work that can withstand close scrutiny. In other words, the content of our various training programs, the methodology we use in training and resulting costs, and where we do our training need to be examined, rationalized and articulated as precisely as possible. The chart at table VIII-1, which contains an Army Training Study portrayal of training relationships, outlines some of the key questions that require answers.

HOW DOES IND TNG IMPACT ON UNIT TRAINING/READINESS?

1. Army Training Study:



Overlap determines effectiveness and efficiency.

2. If Ind Tng std is {increased decreased

What effect on unit tng or readiness?

- If ind/unit, impact is direct.
- If collective, impact is minimal on unit tng.
- Impact is direct on unit readiness.

3. If subject is {added dropped

What effect on unit tng/readiness?

- If essential, and ind/unit - direct impact.
- If essential, and collective - no tng impact.
- direct readiness impact.
- If not essential - doubtful impact.

4. If Ind Tng resources are {increased decreased

What effect on unit tng/readiness resource requirements?

- Can be direct, nil, or inverse impact.
- Direct if unit must add/can drop tng.
- Nil if unit neither adds/drops tng.
- Inverse if ind tng add-on increases unit requirements.
- If ind tng cut reduces unit requirements.

Table VIII-1

4. Recognizing that training is the Army's number one priority, costs billions of dollars annually and is becoming more difficult to defend before Congress, the Army still does not have its responsibilities structured to accommodate integrated training management. Training responsibilities and budget program authority are fragmented on the Army Staff with DCSPER responsible for individual/institutional training and DCSOPS for individual and collective training in units. Other staff agencies with significant training responsibilities are:

- a. OTSG - health professional education and training.
- b. TJAG - legal professional education and training.
- c. DCSLOG - logistics training.
- d. ACSI - intelligence training.
- e. DCSRDA - new equipment procurement and training.

All these agencies have a common goal of training readiness, but no functional DA Staff is charged with ensuring that their efforts are integrated and performed in the most efficient manner.

5. Recent reviews of HQDA training management have not resolved the total issue. In November 1977, the Resource Management Study Group (RMSG) was given an additional mission to assess training management on the Army Staff and recommend organizational changes that would contribute to improved training resource management. RMSG review, excursions of other ad hoc groups, and interviews with training managers at headquarters DA and MACOM's (FORSCOM, TRADOC, DARCOM) identified the problems with the current system reflected earlier in the chapter and summarized in table VIII-2.

PROBLEMS: TRAINING MANAGEMENT

1. Training function and resources are divided: Ind vs. Unit
2. Division hampers determination and justification of training needs, and response to training base challenges
3. Division results in poor War/Emergency posture for training
4. Problem is not well understood
5. Fortunately, problem is not yet critical
6. Problem stems from:
 - TRADOC System
 - Increasing costs and complexity
 - Increased deployability/readiness requirements
 - Acquisition of new weapons systems
 - Impact of training on ability to win outnumbered

Table VIII-2

PROBLEM DISCUSSION

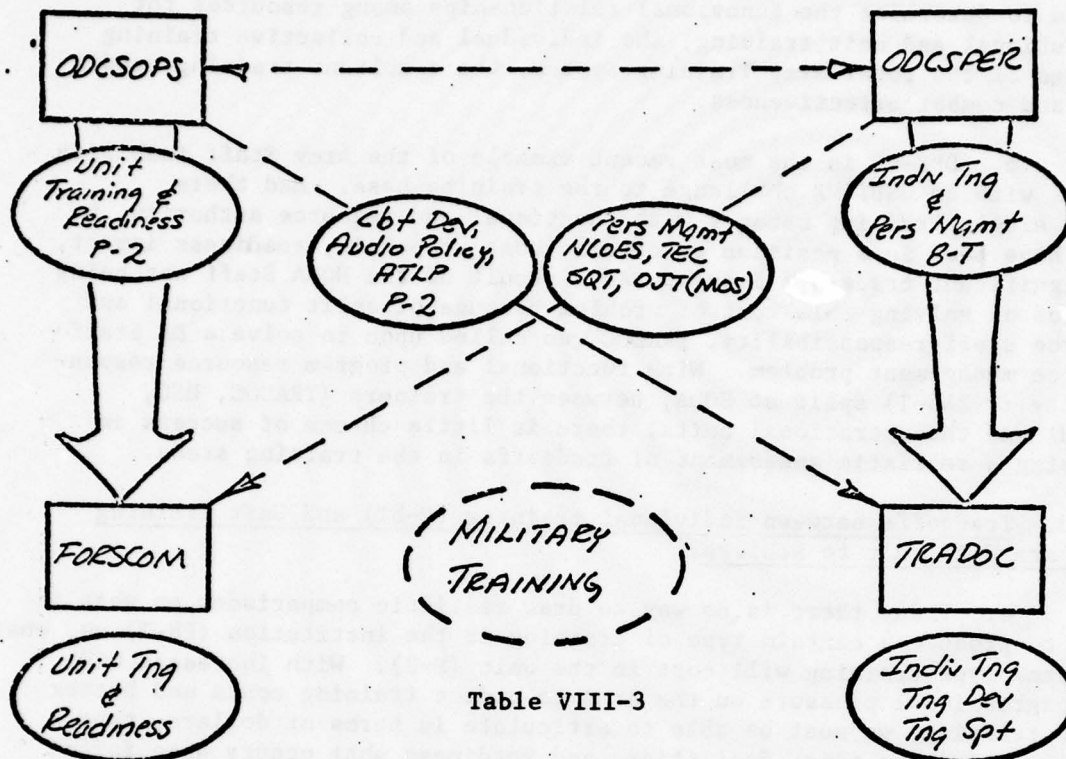
1. Readiness is dependent upon all military training.

a. When the term "Readiness" is used, there is the tendency to think in terms of the monthly readiness report by battalion and separate companies, which through quantitative scores and subjective evaluations, provides an indicator of a unit's ability to perform its assigned mission. The Secretary of the Army and Chief of Staff of the Army Readiness Goal and corresponding training readiness goals are not limited to individual or unit readiness but address readiness in terms of the total Army. Training readiness in this context takes on a more complex role. It encompasses more than having combat units trained to fight outnumbered and win the first battle. In addition to the Active Army and reserve components, there is the need to ensure that collective training efforts with NATO allies provide for alignment with common allied doctrine and tactics, and recognition of NATO mission, techniques in training, readiness plans, and standing operating procedures. It includes the logistics, transportation and maintenance training required to enhance our combat sustainability on the modern battlefield and the medical training required for treatment, care, and return of wounded to battle.

b. Training to achieve total Army readiness must represent a proper integration and balance of all the individual, collective and specialized skills required to defeat the threat. Starting with threat analysis, the combat developer, under the staff supervision of the DCSOPS, develops the organization, materiel requirements and doctrine to defeat the threat. The trainers (TRADOC, HSC, and DARCOM) must analyze the organization, materiel requirements and doctrine to determine the individual and collective skills to be taught which will permit optimization of the individual skills and equipment potential necessary to achieve a readiness posture commensurate with assigned missions. These skills must be taught within the institution (Army Training Center and service schools) and in the units of the force. Where the training for these skills is provided depends upon a number of constraining factors such as dollars, facilities, skill density, decay, and mobilization requirements.

c. Training in the institution is now under the staff supervision of DCSPER. Training in units involves both DCSPER and DCSOPS. The TRADOC role, as the Army Trainer in the field, is not limited to the training centers and service schools. It also encompasses, under the staff supervision of DCSOPS, training support to units in the form of training literature, ARTEP's, audio-visual support, and non-type classified training devices. This split is displayed in the chart at table VIII-3.

CURRENT TRAINING SPLIT (DCSOPS/DCSPER)



d. In summary, there are several DA staff agencies involved in Army Training; however, no central DA Staff Training Manager is looking at the total spectrum of training to ensure that the proper integration of individual and collective skills are taught in the proper place at the right time to optimize training readiness within a resource constrained environment.

2. Training costs not tied to readiness status.

a. Funding for training is primarily accounted for in OMA Programs 2 (DCSOPS), 8-M(OTSG), and 8-T (DCSPER), and procurement appropriations under DCSRDA for training ammunition, equipment, training devices and simulators. Individual training conducted in the institution, Program 8-T, can be costed within the Army Training Resource and Requirements system (ATRRS) operated by DCSPER. However, although a given type of training can be isolated and costed within the ATRRS, there is no direct linkage between training provided and unit readiness. Training in units is funded under Program 2 (DCSOPS); however, the ability of relating resources to type training or readiness is virtually non-existent.

b. The current ongoing Army Training Study (ARTS) has been charged to determine the functional relationships among resources for institutional and unit training, the individual and collective training programs of the total Army Training System, the resultant training readiness, and combat effectiveness.

c. DPS-40 is the most recent example of the Army Staff inability to deal with an OSD/OMB challenge to the training base. Had there been a single Training manager with functional and resource authority, he would have been in a position to develop cost proposals, readiness impact, and significant trade-off issues. As a result of the HQDA Staff not being oriented on solving this sort of problem because of split functional and resource staff responsibility, TRADOC was called upon to solve a DA Staff resource management problem. With functional and program resource responsibility (P-2&8-T) split at HQDA, between the trainers (TRADOC, HSC, DARCOM) and the operational units, there is little chance of success in achieving a realistic assessment of tradeoffs in the training arena.

3. Tradeoffs between individual training (P-8T) and Unit Training (P-2) are difficult to achieve.

a. Today there is no way to draw realistic comparisons on what it costs to produce a certain type of training in the institution (P8-T) vs. what that same type training will cost in the unit (P-2). With increased OSD and congressional pressure on the Army to reduce training costs and better manage training, we must be able to articulate in terms of dollars, type training, training time, facilities, and readiness what occurs when forced to eliminate certain training entirely or transfer it from the training institution to units in the force. This is extraordinarily difficult today with training policy and funds split between DCSPER and DCSOPS. To provide the answers required to adequately justify training costs and establish tradeoffs requires a common costing program for training which accurately addresses and interrelates both institutional and unit training costs (dollar, people and time). This is one of the issues being addressed by the Army Training Study. The Army needs precise analytical information that will withstand the close scrutiny of OSD and congressional analysts if it is to convince decision makers that arbitrary reductions in the training base are detrimental to readiness. Consolidation of individual and unit training and the OMA programs that support this training under a single training manager charged with the responsibility of, and in a position to integrate, the total Army Training effort from a DA position, cannot help but place the Army in a better position to achieve this goal.

4. Training research, developments, support, and evaluation must apply Army-wide for full value:

a. In the area of training research, development, support and evaluation, TRADOC has made a quantum improvement in the way the Army trains. What is questionable is whether the Army has capitalized on

these improvements in terms of training efficiencies i.e., better training for less dollars. For example:

(1) The Training Extension Course (TEC) program has added another dimension to training in units, both AC and RC. Through the use of prepackaged, multi-media, performance oriented programs, the individual soldier is given the means to improve upon his MOS/job proficiency in his unit. The problem is utilization. Is TEC being used effectively for its intended purpose or is it stored in some battalion supply room because facilities are limited, security poses a problem, or commanders under a decentralized training philosophy have not provided adequate plans and guidance for efficient utilization. TRADOC can develop the requirement and convince the Army to develop, procure, and distribute an item such as TEC, but it is not in a position to direct or manage Army-wide utilization.

(2) Sub-caliber training devices offer enormous savings in ammunition and tube life of crew served weapons, if properly utilized; however, if no restrictions are placed on the use of regular ammunition and other resources, commanders will generally opt for shooting the real thing. Policy and procedures must be established that require use of these devices for a portion of training and maintenance of proficiency; otherwise, no savings or improved readiness and proficiency at reduced cost can be programmed or achieved.

b. To best utilize new training developments requires an Army policy for integrated training which is manageable in the field. This does not have to be a degradation of the current philosophy of decentralization, but rather a systematic approach to training which recognizes the economies to be achieved by the advancements in training developments. Rather than being an infringement on command prerogatives, this action should be viewed as management guidance to assist in achieving readiness commensurate with the mission in a resource constrained environment.

5. Artificial division of responsibility limits the options open to both the trainer and unit commander.

a. Training responsibility is split between individual and unit training.

(1) Individual training is that which we conduct for the soldier to give him the skills and knowledge he needs to perform his job and is the General Staff Responsibility of the DCSPER. In the past, individual training was conducted primarily in training centers and service schools with some OJT in units leading to MOS qualification. Today's soldier will receive most of his training in the unit through exported training materials and the Noncommissioned Officer Education System (NCOES), established to prepare enlisted personnel to accept positions of increased responsibility commensurate with their grade and MOS.

(2) When one discusses individual training in units, the Skill Qualification Test (SQT) must also be addressed. SQT represents a major change in the enlisted evaluation system and replaces the current MOS test for each skill level and MOS. It contains the basic component of hands-on, written, and performance certification designed to test the soldier's ability to perform the critical tasks necessary for him to perform his job. SQT is much more than a measure of an individual's ability to perform his job, it represents a training system under our present training philosophy of "Train to Test" and provides a quantitative measure of the effectiveness of unit training programs when aggregated by task at unit level. The original intent of SQT was to provide a training management tool for the commander in assessing the validity/effectiveness of his individual training programs. However, in execution, it has been skewed more toward the personnel management side of the arena and is rapidly developing into a glorified, highly controlled MOS test which governs career progression training and promotion competitiveness. Additionally, and of great concern to a recent senior commander, it is being used to compare and evaluate the performance of unit commanders. This places the commander in the compromising position of making decisions between individual and collective training, balanced against his personal career goals. For example:

(a) Unit commanders are standing down, at the expense of all else, to prepare for SQT.

(b) Reserve Component commanders are requesting the full two week annual training period to be devoted to SQT.

(c) Fear of Failure (unit/individual/personal) tends to force commanders to get past SQT, or else.

(d) The total impact is speculative; however, if the current trend continues, SQT may severely interfere with unit training and readiness as opposed to the original intent of improving individual skills to enhance total unit readiness.

(3) NCOES, TEC and SQT are all under the General Staff responsibility of the DCSPER.

(4) Unit training, under the General Staff responsibility of the DCSOPS represents all training, both individual and collective, conducted within the unit, with the exception of OJT leading to initial MOS qualification. Historically, training conducted in units has been prescribed by higher headquarters in terms of specified subjects and hours of instruction. The results were that battalion and company commanders had more training requirements than they had time and men to accomplish. In 1971 the Chief of Staff of the Army directed that mandatory training be abolished and that a policy of decentralized training be implemented by the Army. Each succeeding Chief of Staff has endorsed

this policy of decentralization which places authority and responsibility for the planning, conduct and internal evaluation of training at the battalion and separate company command level. This, in effect, means that decentralized training focuses all the Army training efforts at the unit level where the training job is actually performed. It is at unit level that the commander must integrate and prioritize the unit resources of time, men, equipment and facilities with the ultimate objective of a proficient unit able to perform its assigned mission.

b. With training split between DCSOPS and DCSPER, individuals train under one training policy while in the institution and under two training policies within the unit. This becomes extremely critical when these two training policies, both of which focus on individual and unit readiness, are competing for the most important unit resource--unit training time. As a result, there is a need for an integrated Army training management system which blends the efforts of the combat developer, training developer, training centers, service schools, and brigade and higher headquarters with the work of the battalion and company trainers. Such a system should: enhance the ability of the unit trainer to plan, conduct, and evaluate training; enable brigade and higher commanders to provide appropriate training guidance, allocate training resources properly, and evaluate training efficiency and effectiveness more objectively; improve training communications among the field units and the service schools so that the latter can provide the literature and instructional materials in the type and quantity needed for training individuals and units.

6. No functional head on the DA Staff to provide total Army oriented Training management and resource support.

a. With the split in responsibility between individual and unit training, the capability to view total training requirements from entry on active duty through MOS proficiency, individual readiness in the unit, unit readiness, and combat effectiveness is greatly reduced. Changes in national strategy and policy impact upon the resources devoted to defense which in turn affect the force structure. The integration of mission, organization and materiel determines what skills and capabilities individuals and units must be capable of performing to meet established readiness goals that support our national strategy.

b. Today's environment of constrained resources, sophisticated equipment and the premise that we must be prepared to fight a "come as you are war," require the Army Staff to be able to view and manage the total spectrum of military training from conceptual requirements through execution and evaluation of total force readiness. It is within this ever changing environment that individual and collective skills are identified that will better permit the Army to fight and survive on the modern battlefield. The trainer must determine where and how to best

develop those skills within both the training institutions and units. The Army does not do a credible job under the split in training functions and resource allocation that exists on the staff today.

c. While reviewing the current Army Staff procedures for accomplishing the training function, the study group was confronted with the questions of: Why consolidate training? Why change when the current methods appear to work reasonably well? It may well be that the Army Staff under its present organization has been able, with the determination and dedicated efforts of its personnel, to prevent or ward off any major problems in the training area, however, the considerations of what is needed in training shown in table VIII-4 below still appear valid. The high cost of Army training in terms of manpower and dollars and its direct impact on readiness and national security will continue to come under the close scrutiny of OSD and Congress, especially in a resource constrained environment. The Army must be in a position to defend its training objectives and associated resources in a manner that will establish confidence and credibility with Congress.

CONSIDERATION OF WHAT IS NEEDED - TRAINING

1. A DA Staff Training Director with staff responsibility for all military training.
2. Central management of training resources to ensure best possible use.
3. Creation of a clear relationship between training resources and readiness goals.
4. A DA Staff office that can consider trade-offs among Individual, Individual in Unit, and Collective Training.
5. A DA Staff voice in all issues impacting on training.
6. Army-wide recognition of training as the Army's number one peacetime mission.

Table VIII-4

d. Consolidation of training under a single Army staff agency will not immediately solve all the training problems. It will, however, provide the focus and framework within which a program of training can be developed that addresses the total spectrum of Army training from threat analysis to combat readiness. This framework includes the doctrine of how to defeat the threat, combat developments, identification of individual and collective skills required, training developments, training standards and methods for institutions and units, effectiveness evaluation, and the relationship of each of these ingredients to resource

requirements and utilization. It does not include the process of identifying the numbers of people required in a given skill, at a given time or the recruiting and distribution of personnel assets.

1. FINDING:

The split in functional and program responsibility for individual and unit training on the Army staff does not provide for unity of effort.

DISCUSSION:

- a. Individual and unit training responsibilities are presently split between DCSPER and DCSOPS respectively. The two OMA programs (P-2 & P-8T) that support the majority of training are also split between DCSOPS and DCSPER. TRADOC is responsible, under the staff supervision of DCSPER, for training developments and individual training in the Army training centers and service schools. TRADOC is also responsible for combat developments (DCSOPS), individual training support to units (NCOES, SQT, TEC, supervised OJT - DCSPER) and other support to units (ARTEP, training literature, audio-visual support activities - DCSOPS). Program 2 provides funds for training in units, combat developments in TRADOC, audio-visual support for installations other than TRADOC and unit schools support in overseas areas. Program 8-T provides funds for individual training in Army training centers and service schools, combat and training developments in TRADOC, development, production and distribution of exported training materials used in units, and audio-visual support for TRADOC installations.
- b. Competition for the defense dollar requires the Army to efficiently manage and justify its training resources in terms of total Army readiness. The fragmentation of functional and program responsibility within the DA staff and the resultant MACOM problem of seeking guidance and resource support from at least two staff agencies does not provide for unity of effort and efficient use of resources.

RECOMMENDATIONS:

- a. That DCSOPS be charged with DA Staff responsibility for all military training.
- b. That program 8-T be transferred from DCSPER to DCSOPS.

2. FINDING:

There is certain training of a specialized nature that should remain with present DA functional managers.

DISCUSSION:

- a. Although it has been recommended that individual training be transferred from DCSPER to DCSOPS, the function of pre-commission training, civil education and civilian personnel training should remain with DCSPER.
- b. Pre-commission training within the United States Military Academy and ROTC is done as part of the officer accessioning process and is conducted prior to entry on active duty. The pre-commissioning program, to include training, should remain with DCSPER.
- c. While considered pre-commissioning training, OCS instruction takes place after entry on active duty within a service school and is closely aligned with the officer basic courses. The training included in OCS should be a DCSOPS responsibility; however, the identification of standards and selection of personnel to enter OCS should remain with DCSPER.
- d. Civil education and training with industry are conducted outside the military training environment and are of a career progression, specialized nature and should remain with DCSPER.
- e. The civilian training program should remain with DCSPER.
- f. Logistic training should remain under the general staff responsibility of the DCSLOG, however, resources and training objectives must be coordinated with DCSOPS to ensure that they are in consonance with total Army training goals.
- g. Professional legal and medical training should remain under the OTJAG and OTSG respectively, with resource requirements and training objectives coordinated with DCSOPS.

RECOMMENDATIONS:

- a. That DCSPER continue responsibility for pre-commissioning training, civil education, professional development, and civilian personnel training.
- b. That OTSG and OTJAG continue responsibility for professional medical and legal training respectively, with resources and training objectives coordinated with DCSOPS.

- c. That DCSLOG continue responsibility for logistics training, with resources and training objectives coordinated with DCSOPS.

3. FINDING:

Determination of who should be trained, when they should be trained, and in what numbers - is integral to personnel management and is the responsibility of DCSPER.

DISCUSSION:

- a. The accessioning, training, distribution and separation of Army personnel, is now a function of the DCSPER. The determination of who, how many, what MOS, and when is integral to both the initial accessioning and distribution of personnel and unquestionably a function of personnel management. What is to be taught and how and where it is to be taught is dependent upon the individual and collective skills required to defeat the threat and is more closely aligned with DCSOPS functions.
- b. It is critical not to inadvertently disrupt the DCSPER automated systems and associated routines, i.e., PERSACS, COMPLIP, PIA, ATRRS, ARPRINT, REQUEST, ACT, REVAIL and CAP III, upon which the whole accessioning, recruiting, loading of the training base, and distribution to units is based. DCSPER may not require management of the ATRRS/ARPRINT system to manage accessioning and distribution, but there is a need for continuous access to, and close coordination of, the information produced.
- c. It is essential that close coordination occur between DCSPER and DCSOPS to ensure that the requirement to train individuals can be supported by the training base. It is also imperative that any restructuring of the training base, i.e., deletion of courses, course length, and changes in POI, which affect quality of accessioning or career progression, be coordinated with DCSPER.

RECOMMENDATION:

That DCSPER retain responsibility for loading the training base.

SUMMARY:

The charts at Tables VIII-5 and VIII-6 summarize the management process seen by the RMSG as resultant from implementation of training management recommendations in this chapter.

PROPOSED
DCSPER/DCSOPS FUNCTIONAL RESPONSIBILITIES
(Training Related)

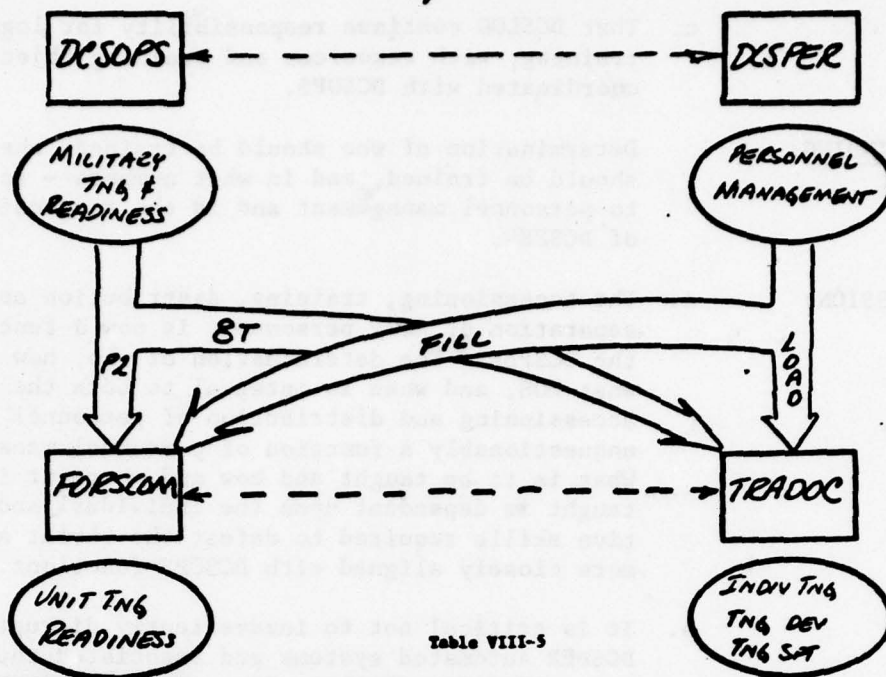


Table VIII-5

TRAINING LASHUP

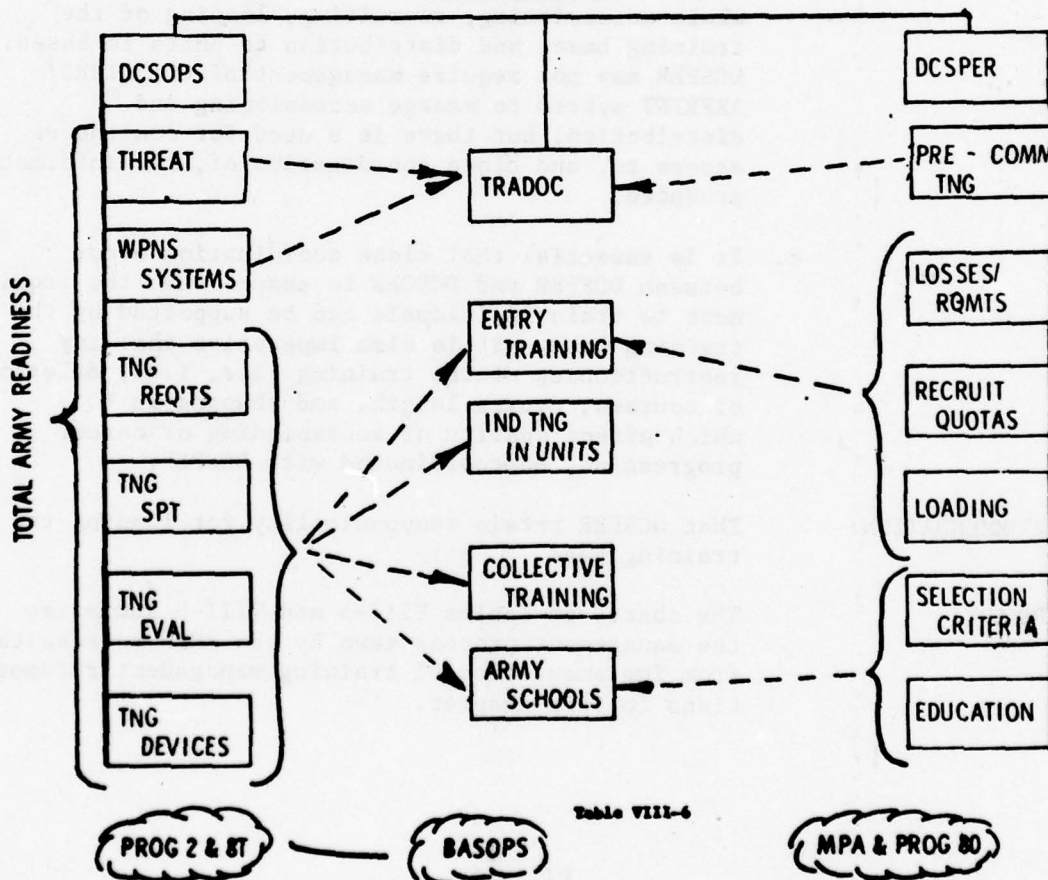


Table VIII-6

IX. MILITARY AND CIVILIAN CAREER FIELD IMPACTS

Section A. Military Career Field Impacts

PROBLEMS

1. The existing military and career specialties/programs do not satisfy the need for highly trained, properly utilized personnel in positions which best satisfy the RM needs of the Army.
2. The current lack of emphasis given to Manpower Management as a speciality under OPMS does not allow for the professional development of personnel involved in this critical aspect of Army resource management.

BACKGROUND

1. With the implementation of the Officer Personnel Management System (OPMS), the duties associated with Military Occupational Speciality (MOS) 2265, Manpower Control Officer, were incorporated into a new speciality skill 41A, Personnel Management Officer. Manpower related duties are also reflected in Speciality Skills 45C, Management Officer; 54, Operations and Force Development; and, 67G, Health Services Manpower Control Officer.
2. An Additional Skill Identifier (ASI) of 7X may also be used with any Speciality Code to reflect manpower duties. To be awarded this ASI an officer must have completed the Manpower/Force Management Course at the Army Logistic Management Center, Fort Lee, VA (ALMC) or have served a minimum of one year in a position requiring manpower management skills.
3. Under OPMS there is not a specific speciality for Resource Management. The concept is that each officer is inherently a "resource manager" and therefore, a speciality dedicated to that sole function is unnecessary. While this concept is basically true, the complex nature of today's resource management problems requires specialized skills to perform certain specialized management responsibilities beyond the scope of normal military career progression education or experience levels.

FINDINGS:

1. On implementation of the study recommendations concerning the consolidation of the Manpower function, an evaluation of the current OPMS and EPMS specialties which include manpower management responsibilities should be conducted to determine which single officer and enlisted speciality is best suited for development and management of skills necessary to ensure training and assignment of qualified personnel to key manpower management positions.

2. There is a need to determine the training needs of Army resource managers and to ensure increased DA level emphasis on the development of resource management skills for military managers.

DISCUSSION:

- a. Officers occupying positions involving the determination and allocation of manpower assets require additional specialized training and assignments providing an expanded breadth of experience in order to better execute the Army's Manpower Management program. Those officer specialities dealing with other aspects of resource management also generally lack the training required to provide the thorough technical evaluation needed for today's complex resource decisions. The Air Force, for example, recognizes the need for professional managers as well as competent combat officers and provides speciality skills which allow an officer to progress through an entire career serving in a specialized area of management, i.e., manpower management, program management. While it is recognized that the Army's mission may preclude the dedication of officer spaces to a career of resource management alone, steps could be taken to ensure that each officer is provided sufficient training in resource management in order to develop those skills needed to successfully perform duties required in key staff assignments.
- b. Under the current OPMS speciality configuration, the required degree of emphasis cannot be given to Manpower Management. Assignments to key manpower positions are often not made based upon prior training and/or experience and, as a result, on-the-job training and personal dedication to job accomplishment are the key factors to effective management of the manpower program. Assignment of an officer with a 54 OPMS secondary speciality (Operations and Force Development) to a manpower analyst function without prior training or experience results in two negative situations, frustration on the part of the individual and application of inadequate manpower management expertise.
- c. The selection of an OPMS speciality code responsible for Manpower Management should be determined largely upon the basis of which staff element the manpower function is located. Approval of the recommendations

stated in Chapter V of this study (i.e., consolidation of the Manpower function in DCSPER), makes it desirable for Manpower Management to be a discrete sub-speciality of OPMS speciality 41, Personnel Management. However, in order to reduce unnecessary personnel turbulence, any change in current OPMS designation should not be initiated until the reorganized manpower function has been in operation for a period of one year. This will permit orderly identification of the specific skill requirements necessary for a manpower sub-speciality. During this period ASI 7X should continue to be used to identify those positions which require specific manpower management expertise.

RECOMMENDATION:

(deferred for further study/action by functional managers/Director of Management by 4 April 1978 VCSA decision)

1. Establish a separate speciality code for Manpower Management in OPMS and EPMS.
2. Increase emphasis on Resource Management training for military managers.

Section B. Civilian Career Field Impacts

PROBLEMS

1. The management analyst series (GS-343) is used within the Army to cover a broad range of responsibilities which results in the need for multiple career management programs and diversified training and experience requirements.

2. The responsibility for training and development of civilian employees has been largely decentralized which results in non-uniform policies concerning who shall receive training and how the employee, once trained, will be utilized.

BACKGROUND

1. The Army currently has 17 Army-wide Civilian Career Programs, and over 85 percent of all GS-12 and above Army employees are career program registrants. Career program positions below GS-12 are centrally managed by career program managers at the MACOM level. In 1974, the Army Civilian Career Management Field Agency (CCMFA) was established. Under the CCMFA, the Army partially consolidated operations for the recruitment, career development and placement of civilian employees registered in one or more of the career programs.

2. In 1974, those employees performing duties in the manpower and force management functional area were established as a separate career program. This program was designated as civilian career program 26, Manpower and Force Management. The DCSPER is the functional chief of the program with responsibilities as outlined in CPR 950-26. Those employees performing duties related to the establishment of performance standards (work measurement) and productivity improvement are currently registered in the Comptroller Career Program 11. This assignment of career program management for those GS-343 Management Analysts performing productivity and work methods and standards duties reflect the need for this expertise by the Comptroller in the performance of budget preparation and review. These same skills, however, appear useful to a manpower manager in developing justification for manpower determination purposes.

FINDINGS:

1. Integration of all civilian manpower related specialists into career programs under functional control of the DA Staff agency assigned responsibility for Manpower Management would provide a central focus to execution of an effective Manpower Management process.

2. The current assignment of career program responsibilities for those individuals performing manpower and methods and standards recognizes the primacy of functional use of each of these skills. There is a requirement to develop an effective cross-utilization of these skills.

3. The training and development of civilian employees is not consistent nor does it assure that the total needs of the Army are being satisfied. In order to overcome this deficiency, the development of training programs and the selection of employees to attend these programs requires central management by a DA Staff agency. Additionally, in order to assure that training resources are returning maximum benefit to the Army, greater use should be made of service obligations and mobility agreements in conjunction with training to provide a capability of placing trained individuals in assignments which fit the specific needs of management.

DISCUSSION:

- a. Those analysts who primarily work in the area of manpower and force structure are covered by a DA Manpower and Force Management career program (26) with the DCSPER serving as the functional chief, thus providing technical guidance (through the functional chiefs representative). Analysts assigned to the methods and standards functional area are covered by the Comptroller career program (11), with the Comptroller of the Army serving as the functional chief. In some cases employees who have worked in both areas will be registered in both career programs.
- b. Historically, the civilian skills associated with the performance of the manpower function have been reflected in the GS-343 Management Analyst career field within either career programs 11 or 26. In the recent past these skills at HQDA have been organizationally placed in the DCSPER, ACSFOR and the DCSOPS. Currently such skills are used in DCSOPS for manpower planning, force structuring, allocation and accounting. Additionally, the following agencies also use the GS-343 career field: the DCSPER for the establishment of manpower utilization policy and review; the TIG for the conduct of manpower surveys at the MACOM HQ's level; Staff Management Division for a similar survey function for the HQDA Staff and Staff Support Agencies; the COA

in the conduct of the productivity enhancement and work methods and standards programs.

- c. The determination of specific training requirements for career program members is made by the careerist and the immediate supervisor. The Individual Development Plan (IDP) of the SKAP provides the vehicle for identifying training needs of the careerist at this level. Validation of the adequacy and appropriateness of the training plan is made by the Training and Development element of the servicing CPO.
- d. Under current Army and Civil Service Commission policies it is often difficult for the Army to ensure that specific civilian skills are used to the best interests of the Army. Often these skills are developed through programs administered by or funded by the Army, and yet, Army management cannot ensure that these skills will be utilized in the areas where they are most needed. This study recognizes the need to consider changes to policies which may significantly impact on resource management improvement efforts and permit the Army to make greater use of its civilian skills and expertise.

RECOMMENDATIONS:

(deferred for further study/action by functional managers/Director of Management by 4 April 1978 VCSA decision)

1. Place all manpower specialists in Manpower Career Program 26.
2. Increase the emphasis on Resource Management training for civilian managers.
3. Have DCSPER provide centralized DA management of civilian personnel training.
4. Seek changes in policy regarding the management of DA civilian personnel in line with the needs of the Army.

X. ARMY-WIDE RESOURCE MANAGEMENT POLICY

PROBLEM

There is no single document which presents a comprehensive Army resource management policy.

BACKGROUND

1. The RMSG was assigned the additional mission of developing an Army-wide resource management policy. Policies in being focus on management requirements or guidance related to specific functional areas, but there is no all inclusive document which governs the total spectrum of resource management. Likewise, neither OSD nor the other services has an existing resource management policy established in a single document.

2. A comprehensive resource management policy is essential to the Army's success in any management environment, but more particularly in the contemporary, constrained spectrum of management. Some aspects of a detailed policy can be written only after the decisions on this study have been made.

3. Because of the significance of a resource management policy document, it is anticipated that development may require several iterations over an extended period with, perhaps, contract or war college assistance. A draft proposal for consideration in the development of the Army's resource management policy is at Annex A to this chapter.

RECOMMENDATION

1. That a comprehensive Army resource management policy be developed.
2. That the Army resource management policy be developed by COA.

RESOURCE MANAGEMENT POLICY

OUTLINE

- I. PURPOSE.
- II. OBJECTIVES.
- III. DEFINITIONS.
- IV. RM PROCESS.
- V. RM CONCEPTS.
- VI. RM PRINCIPLES.
- VII. RM TECHNIQUES.
- VIII. ARMY RM POLICY.

ARMY RESOURCE MANAGEMENT DOCTRINE (POLICY)

1. PURPOSE. This publication provides guidance on the basis for and importance of sound, effective resource management to all members of the total Army. It provides the standards of resource management by which Army-wide measurement of effectiveness can be made. It also provides the fundamentals of resource management as a basis for training supervisors, managers, soldiers, and civilian employees in their respective responsibilities. This publication is applicable to all levels of the total Army.

2. OBJECTIVES. The objectives of this publication are to:

a. Emphasize the importance of creating resource management attitudes throughout the Army that promote integrity and positively contribute to high standards of effectiveness through efficient application and wise conservation of limited resources.

b. Ensure that peacetime resource management practices optimize the application to war/emergency conditions and requirements and enhance the transition through consistent attitudes and policy.

c. Contribute to combat success through establishment of a management environment which respects and makes judicious use of resources provided for mission accomplishment.

d. Improve the process for determining Army resource requirements and providing accurate, understandable justification.

e. Instill a keen, informed sense of resource management responsibility and accountability at all levels of the Army.

f. Enhance the Army capability to identify and correct poor performance and reward excellence in resource management.

g. Improve the peace-time Army environment by placing emphasis on the critical importance of people.

h. Display performance to OSD, Congress and the public that instills confidence in the Army's capability to manage its resources effectively and efficiently.

3. DEFINITIONS.

a. Resources: All manageable assets, including time.

b. Resource Management: All aspects of management as applied to all resources made available for mission preparedness or execution.

c. Functional Director (Appropriations, Programs, Accounts): Designates individual responsible for release of program authority, for functional controls and limits, and for effective program direction, management and justification. Examples at DA Staff are DCSPER as Functional Director of the Military Pay Army (MPA) Appropriation, and The Surgeon General as Functional Director of Program 8-M.

d. Financial Director (Appropriations, Programs, Accounts): Designates Comptroller (COA) responsibilities for administrative fund control, accounting, certification, reporting, status, and compliance with financial management limits and laws. On the DA Staff, COA is Financial Manager of MPA Appropriation, Program 8-M, etc.

4. RESOURCE MANAGEMENT PROCESS.

a. Parameters: Resource Management is nearly unlimited in time, extending from the earliest concept stage to final disposition action. Although the long range thinker is for some time afforded the unnatural luxury of unconstrained resources, real world factors come into focus the instant that serious consideration is given to application of his concept. Resource expenditure, if not management, begins with application and continues indefinitely. The pervasive aspect of resource support is fundamental to a full understanding of the total Resource Management process.

b. Planning: Whether as part of the Planning, Programing, and Budgeting System (PPBS) at DA Staff level, or a unit commander determining his future training or operational requirements, Resource Management considerations weigh heavily in planning. All plans must be based on allocated or anticipated resource availability. To the extent that assumptions prove false, associated plans are probably faulty. To the extent that resource availability was ignored, a potential conflict or disaster has been created. At their finest, plans are firmly based on sound guidance and accurately chart an effective track to mission accomplishment when executed. Such plans give full consideration to Resource Management factors, but Resource Management consideration is equally important when plans are based on incomplete guidance and information and present a less than precise description of the requirement. In the annals of military history, many such plans have in fact been executed.

c. Programing: In the PPBS, programing provides a positive linkage between plans and budgets, covering those five future years immediately beyond budget formulation. Resource considerations are an integral part of the FYDP and are based on a combination of guidance, policy, mission analysis, and computation. Although resource quantities reflected in programs may be imprecise and are definitely subject to change, they nevertheless represent an official start point for transition from program to budget.

d. Budgeting: Justification of requirements in credible terms based on real world estimates and missions is the key to obtaining needed resources through the budget process. Analysts review requests in great detail looking for any areas which can be cut based on lack of sound justification. Good Resource Management is a must. While budgets are normally expressed in dollars, they also reflect manpower, equipment and other resource needs. Comptrollers play critical roles in the budget process, but the identification and justification of resource requirements is first and foremost a responsibility of each functional manager. Justification must be concise, factual, objective, represent the best appraisal available and in accordance with approved objectives. Only with sound functional input can an overall budget be formulated and adequately defended. Only with full staff involvement in Resource Management, can the needed balance among dollars, manpower and program authority be developed.

e. Execution: Resource Management during execution of the budget, or expenditure of authorized resources, involves compliance with legal limitations, timely actions to ensure program/mission accomplishment,

and a keen management eye to obtain the highest possible effectiveness and efficiency. Resource Management in operational areas involves both supervision and management to get the best results for the resources committed.

f. Review: The final phase of the Resource Management Process is called review and logically requires a backward look at each of the other phases to sort out mistakes, omissions, and other lessons to be learned. If improvement is to be made, review is an essential step. Good Resource Managers use the review phase to identify needed changes and insert them into the Resource Management Process for both immediate and future benefits.

5. CONCEPTS.

a. General.

(1) Resource Management is a moral obligation as well as a legal requirement. It is everyone's responsibility by virtue of each member of the Total Army using resources in performing his job; therefore, each individual must recognize his responsibility for the resources he uses or controls and be held accountable for any waste, abuse, misuse or misappropriation. Training, discipline and pride are essential ingredients of effective management which is oriented on efficient use of resources.

(2) Commands, with their diverse missions and locations, should organize for resource management as determined by experience, operational conditions/concepts and command desires. The organization should include a Resource Management review, a basis and procedure for clearly fixing authority and responsibility over resources and a mechanism for precluding allocation of more flexibility than is inherently provided by higher authority.

(3) While commanders are responsible for all command resources, decentralization with appropriate controls and reports to preclude inadvertent problems is essential to good Army management. Decentralization must, however, ensure that the commander is kept informed, involved, permitted to make key decisions, and not surprised by incidents affecting major issues.

(4) Effective guidance is another vital ingredient of Resource Management, and the Commander's involvement is key to its usefulness. Clear, timely guidance must be provided to develop programs which support Army objectives and to preclude the inadvertent misunderstandings which generate unacceptable resource waste.

(5) Commanders have a number of tools to assist them in resource management. Coupled with guidance, commanders manage resources by approving goals and programs, setting priorities, reviewing and approving plans, and monitoring effectiveness during execution or mission accomplishment; in addition to routine staff updates, commanders make use of the Inspector General, Internal Review, and such financial, personnel, manpower and other specialists as are available to evaluate management efficiency and confirm or adjust the basis for allocation decisions. When feasible, tests should also be a part of the evaluation and improvements validation process.

(6) The functional/staff manager should provide the basis for sound functional authority and interface between the various levels of the Army. He is directly responsible to the commander for proper,

effective use of resources and justification of resource needs which support Army programs and reflect detailed analysis of requirements.

(7) Comptrollers should have a special responsibility at all levels of the Army. This responsibility includes a cross-functional Resource Management review for commanders and functional managers. The results of the comptroller review can provide the basis for adjudication of allocation and adjustment decisions and indications of the effectiveness and efficiency of the command Resource Management process.

b. Time as a resource.

(1) Time as a resource, like other resources, is a shrinking dimension or commodity. It is critical at HQDA Level because it drives plans and programs and controls when allocated resources can be used; in this sense, it is more a constraint than a resource. Time becomes even more critical at the lower levels of the Army because it may be the resource over which the commander exerts the most influence or the only resource which is manageable at his level. It is compressed and extracted by enumerable outside and inside influences, and yet it is frequently related to mission requirements, for example, deploy in 30 days; submit plans by 1 March; rebuild at the rate of 100 a month. When not specified, time is often implied - prepare for inspection, qualification, training; support planned operations with required stockage; overhaul items replaced by new production.

(2) Time, whether viewed as a constraint or resource, must be considered as a part of resource management decisions. Technological advances that have reduced the time required to perform certain functions

require that time, whether specified or implied, be managed with the same intensity as other resources to ensure prudent use and accountability. Efficiency or waste of this resource must not be considered in any lesser degree of importance because it appears to be intangible.

c. Funds as a resource.

(1) Dollars are clearly an important resource, especially at management levels where goods and services are purchased. Comptrollers manage budgets and provide administrative control of funds but generally allocate, or hold in reserve, all funds budgeted for use by functional managers. Functional managers, as the main users of funds, control and use allocated dollars to ensure functional performance.

(2) Official funds are constrained resources in that they may be used only for certain purposes, within certain time periods, and in accordance with a host of legal and regulatory controls. Violations vary from minor administrative error to willful violation of the law or fraud. To ignore restrictions and violations or assume they do not apply to honest men in pursuit of worthy causes is a certain invitation to disaster. In addition to their logical and traditional service of actually handling and accounting for funds, an important Resource Management function of Comptrollers is financial management advice and assistance for the functional users of funds.

(3) In addition to actually using dollars to buy goods and services, funds are key in other important aspects of Resource Management. For instance, dollars are the primary basis for programing and budgeting

under the PPBS process; and while other constraints cannot be ignored, it takes money to accomplish goals and missions.

(4) Another key dollar management factor which must be considered is in respect to the actual user. The user is provided people and things rather than funds but is managed from above by control of the dollar value of the resources he uses. In this context, funds as a resource must be valued over time and with respect to specific situations. Inflation and valuation are real world challenges that impact on resource allocation and use and therefore cannot be ignored.

(5) While plans, programs and budgets may reflect dollars, they are of no value until funds have been appropriated by congress or provided by other OMB action. Appropriated funds are then aligned with the authority to expend. The appropriation process and how well the Army fares is not only dependent on the total political, economic, and social environment, but more importantly, it is a direct reflection of how well the Army articulates and justifies its requirements.

(6) Using more dollars than authorized can be a serious matter, and the general implications of RS 3679 are widely publicized; however using less dollars than authorized is a different matter. Human nature, self-interests, and past experience come into play and natural tendencies of thriftiness are overridden. A long prevalent attitude among funds managers is that funds requested and received but not used are funds wasted due to ineffective management. Such an attitude is reinforced each time the amount requested for the succeeding year is reduced to the amount

used in the preceding year. What began as an attitude turns into a "basic principle" as soon as wasted funds are cited in a manager's performance report. In short, the very process of fund management encourages the expenditure of all money provided (sometimes referred to as "program performance" or "effectiveness of execution") and unquestionably discourages the use of less money than authorized. If the funds were in fact needed and did not get used because of the ineffectiveness of the manager, such managerial inadequacies should be identified in ways other than review of year-end fund reports and properly dealt with by those responsible. The practice, if not policy, of emphasizing 99.9% expenditure is a contradiction to sound Resource Management, fails to reward efficiency, and in the long term can be counterproductive. Good Resource Management policy is to use what is necessary, and if availability exceeds or is less than requirements for any reason, that fact should be made known as early as possible to permit higher level managers to make sound adjustments. Likewise, the delegation of authority should in no way relieve commanders or other responsible individuals of the responsibility of ensuring compliance with sound funds management practices and procedures.

d. Manpower as a resource.

(1) Manpower is second only to funds in terms of importance as a resource and must be thoroughly understood to be managed. Planners and Programers deal entirely in manpower spaces (empty spaces) expressed in terms of requirements, authorizations, end strengths (ES), and manyears (MY). To a great extent, such spaces are analogous to the funds included

in plans and programs in that they are both worthless until converted to real assets through the budget process. The very fact that planners and programers deal in empty spaces makes them deceptively easy to handle.

(2) Manpower management is considerably complicated by its division into military, civilian, and contract categories, and subdivisions of each category, i.e., officer, WO, enlisted for the military category. Manpower is further identified by qualifications of speciality and grade which range from unskilled labor to the highest imaginable levels of education, experience, and abilities. For example, the CSA position and an infantry rifleman each take a military space; however, the job requirements are obviously significantly different. Civilian manpower covers the same spectrum. Sound manpower management involves making the best use of all categories and subdivisions while concurrently abiding by the various controls and constraints placed upon individual parts of the overall equation. Resource Management entails determining how many spaces of what type and the funds required to support those spaces, within authorizations, are needed to support mission accomplishment.

(3) Further complexity of management is attributable to manpower being documented in two vastly different systems and procedures-TOE & MTOE for tactical organizations (all military) and TDA's for all other elements (both civilian and military). Whereas TOE's reflect military manpower wartime requirements and are the product of TRADOC and the Army School System, with DCSOPS responsible for approval, TDA's are the result of user assessments of need, tempered by limited manpower authorizations, management actions at higher levels, and results of on-site

surveys. DA influence is exercised through provision of MACRITS for TOE and Staffing Guides and Work Measurement Standards for TDA's. Thus, TOE's provide peacetime manning for wartime conditions while TDA's are driven almost exclusively by existing (peacetime) requirements.

(4) As is the case with funds, manpower controls are highly demanding of the Resource Manager. By end strength (ES), control is placed on the number of manpower positions being used on a specified date, usually the last day of the fiscal year. By manyears (MY), control is on the average manpower usage for the fiscal year. Grade average controls, indirectly at least, the general structure and salary costs of civilian manpower. Additionally, some civilian grades and most military grades are controlled by specific numbers within each rank. Other controls focus on citizenship/nationality, permanency of employment, and special status.

(5) Manpower funding for military and civilian spaces is totally different. All military manpower is funded centrally through the Military Personnel Army (MPA) appropriation, under directorship of DA DCSPER, with USAFAC providing world-wide service through the JUMPS system. Military manpower is in many respects viewed as "free labor" by the user since he does not bear the cost. A military space authorization is free in the sense that the user pays no more if a space is added or saves nothing if a space is withdrawn.

(6) Civilian manpower, on the other hand, is directly chargeable to and must be paid for by the user. The primary source of funds is OMA, including AIF, plus some RDT&E funds. For civilian manpower,

space authorizations must be appropriately supported with proper funding. Unused civilian manpower spaces can, under certain circumstances, provide command flexibility in the form of funds for other uses. While flexibility is fundamentally desired, such conversion of manpower spaces to unencumbered funds can be detrimental to subsequent justifications of manpower requirements, with ultimate loss of both spaces and associated dollars.

(7) Sound Resource Management of manpower is made more difficult by these obvious differences between perceived "free labor" military spaces and civilian authorizations which must be paid for by local budget if used, and become a source of money if not used. Primary factors in determining the organization for manpower management are breadth of coverage (both military and civilian), the ability to manage a complete manpower management process, and provision of desirable links between manpower on one hand and personnel, funds, and force structure on the other.

(8) Manpower Resource Management differs from other resource management in a most important way. It bridges the gap between inanimate and often abstract relationships to the backbone of the Army-people. Although the manpower spaces of Planning and Programing are empty, those of the users are, for the most part, filled with people; live people with attitudes, aspirations, abilities and all the real world limitations and frailties associated with human beings. Manpower management becomes vastly more complex once the spaces reflect faces. Determining manpower needs in terms of people involves personal

qualifications, training, experience, motivations, and esprit. Labor saving equipment and working conditions come into play and the stability of the work force can be a critical factor, either contributing to or hampering the attainment of desired performance standards. Sound Resource Management demands complete considerations of people as well as space management. Manpower is both.

e. Materiel (Supplies, Weapons & Equipment) as a resource.

(1) The heart of the complex system of materiel resource management is to equip, supply and support the total force. It carries perhaps the most direct link to operational readiness in that materiel management must include developing what is needed, buying only enough, distributing it so that support is timely and maintaining it so that it is ready to fight. Implicit in the system are considerations of the national industrial production base, the total transportation system (civilian and military), facilities (storage, production and maintenance), manpower (numbers, critical skills, availability, stability) and a host of other considerations such as requirements for Foreign Military Sales (FMS)/Aid, international standardization, protecting high dollar items, prepositioning, fluctuating demands, war reserves, modernization and mobilization requirements.

(2) Materiel Resource Management runs the gamut from supply economy on the lower end of the spectrum to production base/contract management and procurement on the other end. It has immediately visible impacts on the soldier and is, therefore, the concern of all levels of Army management. Requirements are predicated on current force needs as

well as theoretical projections and are impacted on by evolving technological advances, political considerations and force adjustments. Even though considerable effort is expended to support a war-fighting capability, materiel resource requirements are often closely linked with peace time circumstances; therefore, the materiel Resource Manager must ensure that there is a realistic balance between peacetime requirements and war time projections to assure adequate support for the total force.

(3) Management of supplies, weapons and equipment requires an understanding of their interrelationship and dependence on other resources. For instance, changes in weapons and equipment impact on such things as supplies, manpower, training, facilities, services, maintenance, priorities and the distribution system. All must compete for available funds; therefore, materiel Resource Management requires close coordination among all Resource Managers from requirements determination through procurement and phase-out.

(4) Factors which impact on materiel Resource Management such as national strategy, national policy, force levels and policies for FMS/Aid may be external to the Army; however, materiel Resource Management must be integrated early in the development of internal Army-wide program objectives and review of operational concepts and doctrine. This early integration will improve the Army's ability to justify requirements, order its priorities, control delivery schedules, establish viable distribution plans, better balance the work load of maintenance support, build and manage inventory support and permit disposal or redistribution of excess.

(5) The people part of the materiel Resource Management equation is critical. Decisions on such things as inventory increases/decreases, changes in equipment, introduction of new equipment/weapons, changes in distribution plans, the policy for repair/rebuild/replacement and changes in priorities all impact on manpower. There must be close coordination of the training and distribution of qualified personnel with the acquisition and distribution of materiel resources. This coordination must begin in the concept analysis stages and carry through development, acquisition and final disposition. The objective is to provide materiel and its supporting inventory concomitantly with qualified personnel.

(6) Materiel excesses or shortages impact on the Army's ability to conduct operations. Excess supply results in waste and can deny resources to other users while shortages disrupt operations and reduce effectiveness and readiness. Not only must requirements be determined early, but there must be accurate updating of forecasts to ensure adequate distribution. To enhance continuity of operations, inventory management must include workable systems for requirements validation, acquisition, cataloging, packaging, preserving, receipting, storing, transferring, issuing, disposing and accountability. To prevent needless, costly new procurement, it must also include maintenance decisions, prompt return and control of reparable and precise management of procurement secondary items. While this system is very complex, it is vital to the logistical support of the total force and must be a routine consideration of the Resource Manager.

(7) The total Integrated Logistics Support (ILS) System (discussed in AR 11-8) must be an inseparable tool of the materiel Resource Manager. Logistics support resources are an essential ingredient of total force readiness and must be provided at minimum costs and with the least disruption. The materiel Resource Manager must ensure that materiel developed is supportable and that systems to furnish the support are adequate and workable in order to manage priorities.

f. Facilities as resources.

(1) Installations represent the amalgamation of all resources at the lower levels of the Army. The plans, programs and budgets developed must ensure that adequate resources are provided to support implementation of goals and the missions assigned to installations and tenant units. Resource Management discussed previously applies in general to the installations.

(2) There is a direct link among facilities, technology, doctrinal concepts, manpower, funds, weapons, equipment, supplies and the associated storage, shipping, maintenance and training requirements. It is critical to ensure that facilities considerations enter into the planning and development cycle at the earliest possible time. Weapons and equipment development must consider facilities requirements and how they will be affected by the doctrinal concepts developed for their employment.

(3) While efficiency and economy are key considerations in facilities management, facilities provide the critical link between the "Army" and its people. The training and support as well as life

support and Army community welfare requirements must be developed to clearly provide necessary support for tenant needs.

(4) Facilities planning and development require intensive management to ensure not only that current needs are met but also that the transition to war can be accommodated without detracting from the production of an effective, efficient warfighting capability.

6. PRINCIPLES.

a. Effective Resource Management is contingent on the orderly integration of management activities which control Army programs that contribute to mission accomplishment. The Resource Management Policy which governs this integration is dependent on certain key principles. These principles are:

- (1) The fundamental Resource Management requirement is to maintain an effective balance between current missions and long range goals.
- (2) Sound Resource Management is a moral obligation as well as a legal requirement.
- (3) Achieve mission objectives with minimum use of resources.
- (4) Decentralization with proper centralized controls, reviews and reports is essential to good Army management.
- (5) Effective Resource Management requires training for all commanders and managers.
- (6) Responsibility is accompanied by authority and resources.

(7) Treat Army resources as if they were personal assets.

(8) Use peacetime controls and constraints to instill resource management attitudes and discipline required in combat or emergencies.

(9) In addition to required resource guidance levels, information pertinent to current thrust, policy and objectives must be provided to the lowest appropriate level.

(10) Resource managers must ensure compliance with regulatory and statutory authority.

(11) Proven effectiveness in Resource Management deserves recognition and reward.

7. TECHNIQUES.

a. The application of Resource Management within each command will be guided by its mission, priorities and a variety of operational circumstances; however, the following is a list of techniques which should be considered in any Resource Management process:

(1) Program adjustments should not be made without functional proponent involvement.

(2) Requirements must be recognized far enough in advance to permit appropriate planning and programing to reduce crisis management.

(3) Use Resource Management review at all levels to ensure management effectiveness through integration of all resources to produce an optimum balance of functional programs.

(4) Expand the management perspective of the comptroller from fiscal management to include cross-functional Resource Management review in planning, programing, budgeting and utilization.

(5) Require the functional manager and user to justify resource needs.

(6) In addition to being responsible for unit performance, commanders should exercise Resource Management primarily by approving programs, setting standards and priorities, staying informed and rendering specific guidance and decisions.

(7) Consider Resource Management review as an extensive process which begins with planning and recycles with after action review. This precludes giving primary attention to one aspect without detriment to the overall process.

8. POLICY.

a. General Bernard W. Rogers, CSA, in announcing the Army goals stated:

"Army Leaders have a moral obligation to provide an accounting to the nation of how the resources it provides are being managed."

Therefore, one of the Army's major goals is to:

"Manage and utilize existing and programed resources more effectively and to strengthen the Army's resource justification process."

b. To accomplish the goals set forth for the Army requires an awareness on the part of all personnel of the necessity to recognize and adhere to basic Resource Management principles. This is especially important in a peacetime environment with constrained resources. A fixed or declining budget in terms of purchasing power and the mission to increase responsiveness to a war/emergency threat requires isolation of programs and management practices that result in inefficient use of resources and redistribution of these resources to support necessary programs.

c. Justifying and managing the resources of an organization the size of the Army requires an alignment of subordinate elements which corresponds to the functions the unit must perform. The organizational relationships and vested authority must enhance the optimum use of resources and contribute to mission accomplishment with prudent, economical and efficient expenditures. The following policies are the first step in articulating the resource management portion of the Army management goals:

(1) Functional responsibility will be linked with the necessary authority and management of associated resources.

(2) Programing will be focused on realistic constraints.

(3) Resource guidance will be provided to the lowest level developing a program.

(4) Peacetime Resource Management actions and processes will, where feasible, correlate to wartime requirements and not impede the transition to war.

(5) The least amount of resources will be used to accomplish the missions effectively and efficiently.

(6) Requirements will not be overstated in anticipation of higher authority reductions. Recognize the need for economy.

(7) Policy and guidance does not terminate the commanders involvement. Commanders will be involved in and kept abreast of Resource Management decisions.

(8) Resource Management considerations/decisions require a total systems approach. The impact on related areas must be considered.

(9) Resource managers will ensure compliance with regulatory and statutory authority.

(10) Program execution will include timely review and follow through to ensure optimal use of available resources.

(11) Instill a feeling of ownership of equipment to develop better accountability and deter "expendable" attitudes toward manageable assets.

(12) Commanders and managers at all levels will be trained in Resource Management.

(13) Avoid a narrow scope in Resource Management. Any manageable asset is considered as a resource and managed accordingly.

(14) Available time will be managed in the same intensive manner as any other critical resource.

(15) Resource status and utilization must be accurately reported on a timely basis to permit higher level management decisions.

(16) Resources will not be expended solely because they are made available. Resources found excess to needs will be returned at the earliest feasible time.

(17) Additional missions will be supported with new resource allocations or specific direction to use those previously allocated.

(18) When efficiency permits a return of resources, those responsible will be rewarded in ways not involved with resource allocation.

(19) Inefficiency should not be rewarded with additional resources. When inefficiency forces allocation of additional resources, those responsible will be dealt with in a manner not concerning resource quantities.

(20) Resource constraints placed on HQDA by higher authority must be maintained by MACOMS, irrespective of other policies or regulations.

c. The policies prescribed above are to be used as guides in amplifying more specific policies governing individual programs. Functional managers are responsible for developing, articulating and enforcing the necessary detailed Resource Management policy supporting the programs for which they are responsible.

XI. FIELD MANAGEMENT ADVISORY AND ASSESSMENT CAPABILITY

PROBLEM

The Army Staff currently has little capability to provide management assistance to field commanders or to assess the effectiveness of field resource management.

GENERAL DISCUSSION

1. The Department of the Army Inspector General (DAIG) in the performance of inspection and manpower survey missions assesses the management effectiveness of organizations. While the focus of the DAIG may be applied to address a function throughout the Army or detailed management of many functions within a specific command, no mechanism exists to routinely provide an advisory service on request to field commanders. Likewise, limited capability exists with which to assess overall resource management by function or organization.

2. There is a definite need for a management program with two key missions:

a. Provide resource management advisory service Army-wide. This may be accomplished through distribution of lessons learned summaries or official reports and by responding to specific requests for on-site management assistance as feasible.

b. Perform periodic assessment of resource management effectiveness by selected function, location, or command to identify strengths and weaknesses in Army resource management.

3. To be effective, the breadth of such a program must not be limited in the scope of its considerations. Trade-offs among various types of manpower, between manpower and laborsaving equipment, between skill requirements and training costs, between working conditions and facilities improvements, and even among MACOMs or other Services represent the broad approach to improvements in the Army resource management process which must be sought.

4. Management of this type program, although closely aligned with the DAIG (because of his world-wide missions and total absence of pro-ponency), could also be a logical function of the Resource Management Reviewer, recommended in Chapter VII as the Comptroller. Should the Resource Management Review function be assigned to PA&E, as outlined at the RMR alternative in Section D, Chapter VII, management of ARMAAP could be made a DAS responsibility, but in view of other DAS functions such decision would require thorough analysis. While program conduct should be performed by the DAIG, assisted by functional experts drawn on a

temporary basis from all Army sources, the thrust of this concept should be towards Army-wide resource management improvements.

FINDING:

The Army needs a viable Resource Management Advisory and Assessment Program (ARMAAP) to help field managers and advise top management.

DISCUSSION:

- a. A form of ARMAAP is needed to provide commanders an "on request" assessment of management effectiveness and to field validate the effectiveness of resource management policy implementation, manning guidance and those key functional areas recommended by the Staff.
- b. The agency tasked with Resource Management Review should manage the program and provide Army-wide dissemination of lessons learned, recommended resource management improvements for Army schools, and field implementation.
- c. As previously outlined, the DAIG should be charged with field operation of ARMAAP, supplemented by authority to draw upon any and all Army expertise needed to accomplish specific missions.
- d. The following is an outline ARMAAP concept:

STAFF RESPONSIBILITY

- a. Agency tasked with Resource Management Review (RMR) has primary DA Staff responsibility for ARMAAP as part of his overall RMR responsibility.
- b. Other DA Staff heads are responsible for proper management of all resources allocated for accomplishment of assigned functions and for making full use of ARMAAP capabilities and results.
- c. The Inspector General is responsible for field operation of the ARMAAP program, applied Army-wide, including the DA Staff.
- d. Director Army Staff will ensure coordination and approval of ARMAAP focus and findings.

OPERATIONAL AUTHORITY:

- a. TIG is authorized to task DA Staff and MACOMs for functional assistance in the form of consultants, or team members, in such numbers and functions as deemed necessary in forming Army RM Advisory and Assessment Teams (ARMAAT) to accomplish specific ARMAAP assignments, for periods of up to 30 days. All requirements exceeding 30 days require DAS/VCSA approval.

b. TIG budgets for and funds all travel and per diem costs incident to this program.

c. In performance of management advisory services, TIG directive authority is limited to those actions deemed immediately necessary on the basis of safety, illegality, or serious waste, and then only if the commander concerned fails to act promptly.

d. In performing resource management assessment assignments, the TIG is authorized to act for the CSA in providing on-site recommendations or directing on-the-spot corrections as warranted by the nature, magnitude, and impact of the resource management situation involved.

e. At the discretion of TIG, based on both findings and overall workload, ARMAAP may be substituted for General Inspections, or used to evaluate previous corrective actions required by inspection, audit, or ARMAAT visits.

SCOPE OF ARMAAP:

a. ARMAAP encompasses DA level manpower surveys and includes field evaluation of all staffing guides, MACRITS, Methods and Standards, and other DA advisories on manpower needs. ARMAAP includes field validation of DA staffing guidance as well as command compliance with such guidance.

b. ARMAAP is in no way limited in scope of considerations.

c. ARMAAP particularly emphasizes the importance of Army people to the resource management assessment equation. All manpower requirements, authorizations, and utilization will be evaluated in light of the people involved. No manpower space solution will be considered without full understanding of the total personnel situation involved.

d. ARMAAP complements the findings and results of the Organizational Effectiveness (OE) program by focusing expertise on selected functions or units and, as appropriate, advising the rest of the Army as to the benefits as well as the deficiencies found. A close tie between ARMAAP and OE is of key importance to the basic premise that both programs are primarily intended to help the Army rather than provide an efficiency report for the people involved.

ARMAAP CONDUCT (graphically displayed at Table XI-1)

a. Requests for ARMAAP evaluation may come from field commands (in the form of a request for assistance), or Army Staff agencies as displayed at ① on Table XI-1.

THE ARMAAP CONCEPT

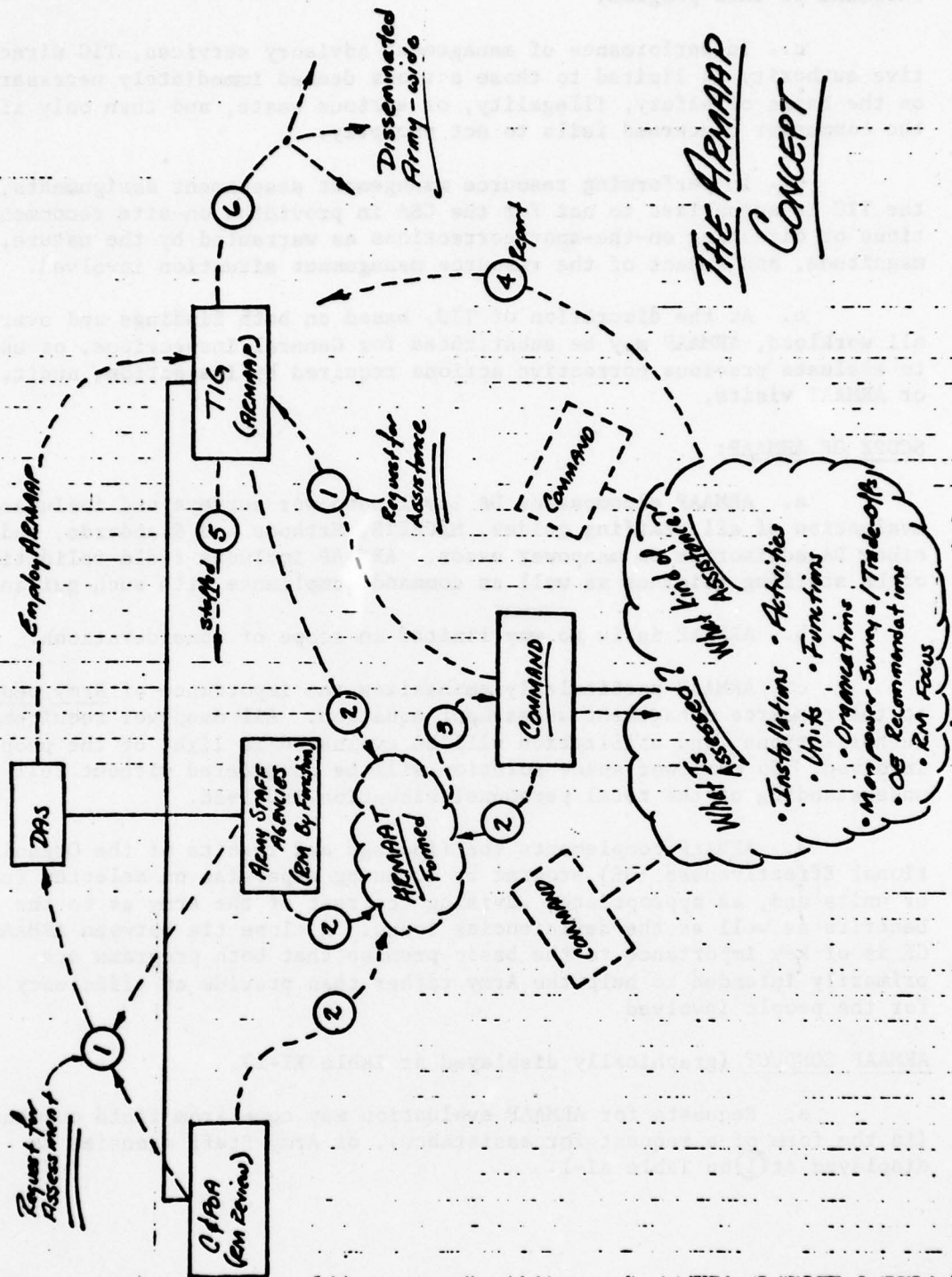


Table XI-1

b. An Army resource management advisory and assessment team (ARMAAT) is formed at ② on a mission basis from all Army-wide expertise available.

c. Assessment or assistance is provided at ③ with a report provided to the ARMAAP operator, TIG, for Army-wide dissemination. The focus of the program may be structured towards a specific function, organization, activities, or a combination. There is no intent to provide ARMAAP emphasis in any single area, such as manpower management.

USE OF ARMAAP RESULTS:

a. MACOM commanders and DA Staff heads are provided ARMAAP results for application of resource requirement changes to plans, programs, and budgets, as appropriate.

b. Where the commander or staff head involved lacks authority or resources to implement a recognized management improvement, the matter will be referred to higher authority for action. In no case should lack of authority alone prevent the Army from taking action to save funds, improve readiness, or otherwise make better use of resources.

c. As ARMAAP results expand, DA guidance documents such as staffing guides will be refined to accommodate various real world situations and those options a wise commander should consider in allocating resources.

d. COA will maintain a central DA file of ARMAAP reports and associated documents and will ensure Army-Wide dissemination of lessons learned and provision of all such RM information to Army schools for use in their training programs.

e. COA will use the accumulated results of ARMAAP to make necessary annual updates to the Army Resources Management Policy, ensuring this important policy reflects accurately the conditions and requirements of the Army in the field.

CONCEPTUAL ORGANIZATION:

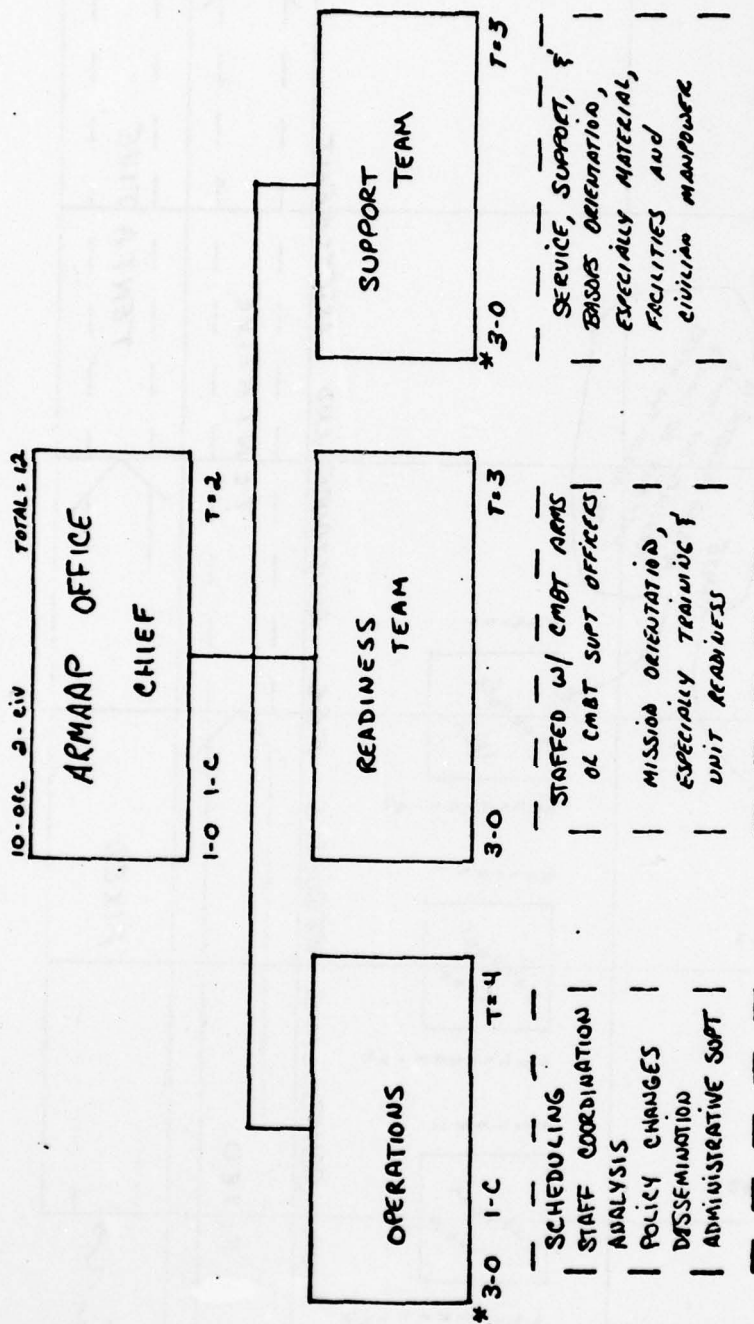
a. Table XI-2 outlines a conceptual ARMAAP organization requiring 12 personnel. While the organization and functions provide a basis for discussion and ARMAAP concept development, requirements may dictate organizational refinement.

b. With an organization as shown, the basic workload capabilities of ARMAAP are displayed at Table XI-3.

RECOMMENDATION: Develop and implement the ARMAAP concept with the

Resource Management Reviewer charged with program management and the DAIG charged with field operation.

CONCEPTUAL ARMAAP ORGANIZATION



XI-7

* CIVILIAN EXPERTISE MAY BE REQUIRED

Table XI-2

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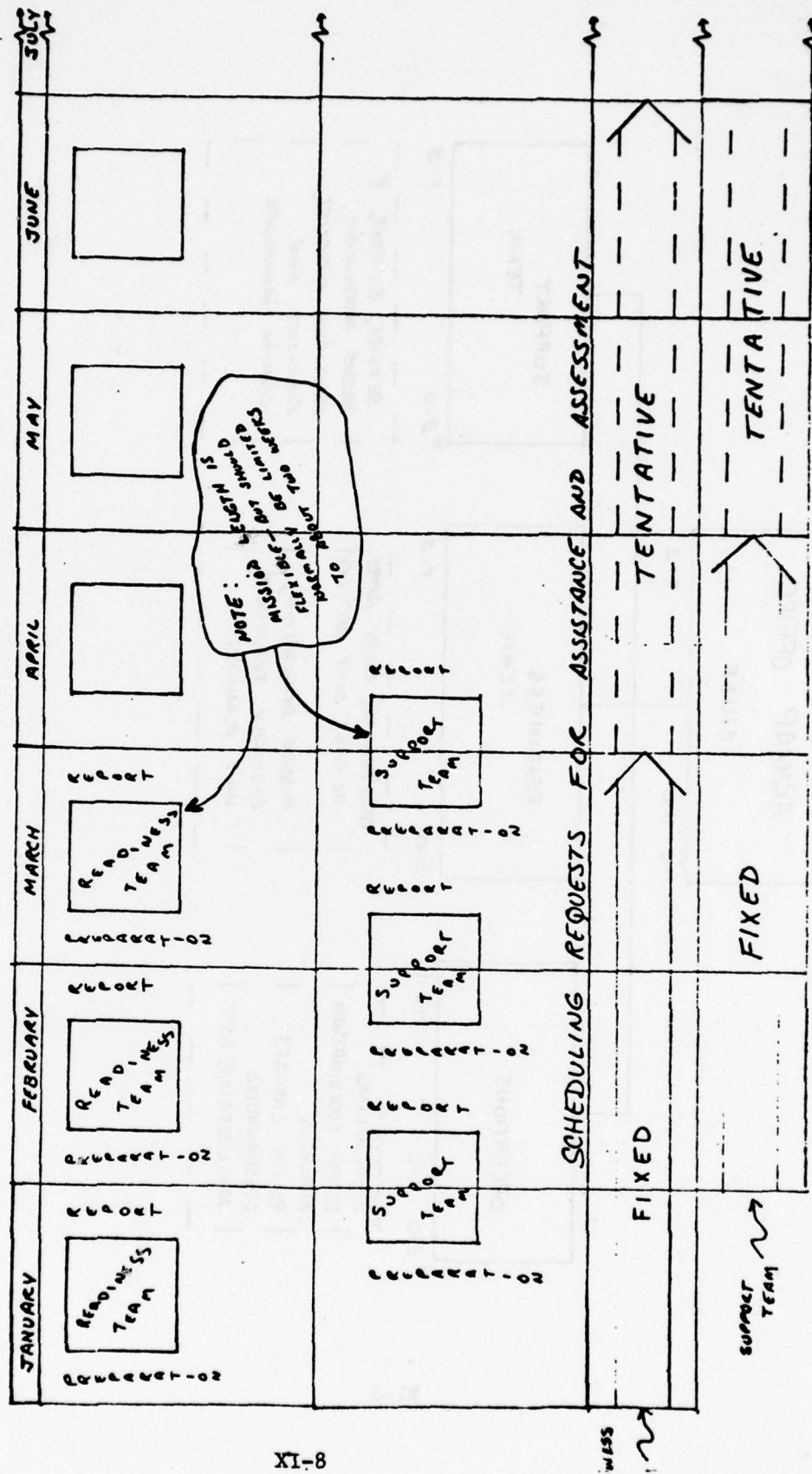
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CONCEPTUAL ARMAAP WORKLOAD CAPABILITIES

CAPABILITY = { 10 MISSIONS PER TEAM PER YEAR
20 MISSIONS PER YEAR FOR THE ORGANIZATION



CHAPTER XII. RESERVE COMPONENT CONSIDERATIONS

PROBLEM

The criticality of Army dependence on Reserve Components (RC) requires integrated resource management equally as effective as that applied to the Active Army.

HISTORICAL BACKGROUND

1. The current organization of RC has been in being since the 1974 Army Staff reorganization. The National Guard Bureau (NGB) is still organized much the same as pre-74, but Office of the Chief, Army Reserve (OCAR) is much different. Presently, FORSCOM performs Army Reserve (USAR) manpower and dollar functions, formerly accomplished at the HQDA level by OCAR (e.g., suballocations/control of spaces, dollars, and force development). However, NGB still performs these functions for National Guard resources because of the requirement to interface with all states. Additional USAR missions were transferred to FORSCOM in 1974 to streamline the HQDA staff, pull the reserves into the mainstream of the Army (i.e., FORSCOM), and emphasize the Army's reliance on Reserve Components with a one Army program.

2. In addition to the Army Reserve Forces Policy Committee (ARFPC), established under Title 10 USC 3033 to deal with major policy matters affecting RC, several additional groups were formed in 1975-76 to improve the status of RC and their consideration in related actions on the Army Staff.

a. The Reserve Component Issues Conference (RCIC) was established to present to the VCSA and Staff principals those substantive issues that currently influence RC activities and readiness.

b. The Reserve Component Coordination Committee (RCCC) was established to review progress in the RC arena, ascertain problem areas and issues, or coordinate requisite taskings to the Army Staff.

c. The Reserve Component Steering Committee (RCSC) was formed to review and assess the integration of RC activities on the Army Staff; identify and recommend to the VCSA actions to enhance the staff action process, eliminate duplication of functions between NGB, OCAR and the Army Staff; facilitate actions by the Chiefs of RC in the fulfillment of their primary staff responsibilities.

3. The establishment of the RCIC, RCCC and RCSC recognized the need to integrate resource management of RC into the routine staff processes of the Army Staff. While their formation highlighted the importance of

RC in the national defense structure and the need for close attention by top Army management, it also demonstrated the weaknesses inherent in the current processes. The Army has made great strides in the management of RC in the past few years, but because of the limited number of staff officers experienced in RC management and their orientation on Active Components, the education process must be continuous.

GENERAL DISCUSSION

1. In consideration of the Total Army program and the reliance on Reserve Components, the RMSG was charged with including the NGB and OCAR in its deliberations concerning the Army Staff organization for resource management. Accordingly, the study group developed ARNG and USAR scenarios designed to consider the impact of any staff organizational or procedural change on Reserve Components. The RMSG scenarios and deliberations focused on ensuring that the Army Staff organization provided for full integration of all facets of RC resource management.

2. The current NGB and OCAR staff organizations and appropriation directorships are not specified by law. Specific statutory staff organizations were deleted from the proposed law to preclude the implication that these staffs possess authority which might not be intended with respect to the chain of management and command. Additionally, there is ample authority under existing law to organize the necessary RC staffs.

3. The law does require that such offices exist and that the principal be the advisor to the CSA. Congressional correspondence further interpreted the law and clearly expressed the intent of Congress to be that these organizations remain as they are with respect to the control of funds, manpower, and programs. Congressional intent implies a degree of authority for the chiefs of the Reserve Components which must be carefully considered in the total framework of Army management.

4. Current NGB and OCAR resource management responsibilities are as follows:

a. NGB: The Chief, National Guard Bureau is responsible for the following appropriations: Operations and Maintenance Army National Guard (OMARNG), National Guard Pay and Allowances (NGPA) and Military Construction Army National Guard (MCANG). The Chief, National Guard Bureau functions as an advisor to the CSA as well as a principal staff officer. As a staff officer, he performs in a capacity similar to any other staff officer or appropriation/program director. However, he also functions much like a MACOM, allocating funds and manpower directly to the various states. Manpower requirements are determined through a combination of the DCSOPS force analysis, state requests, and the National Guard ability to recruit. ARNG civilian technicians are included within the Army civilian end strength authorization.

b. OCAR: The Chief of Army Reserves (CAR) is responsible for the following appropriations: Operations and Maintenance Army Reserve (OMAR), Reserve Pay and Allowances (RPA), and Military Construction Army Reserves (MCAR). In these roles, he functions much like other Army staff agencies and appropriation/program directors working through major commands (in this case FORSCOM) to accomplish his programs. At the same time, though, his role, like the Chief National Guard Bureau, is unique because of the breadth of his functions (e.g., ranging from pay to construction) as opposed to the rather restricted functional role of other staff offices. Manpower requirements are determined by the DCSOPS force analysis, tempered by recruiting expectations and the anticipated breadth of Congressional approval. Allocations are accomplished by OCAR through FORSCOM. USAR civilian technician positions are included in the Army civilian end strength authorization.

5. Reserve Components comprise approximately 50% of the total Army force structure and 9-10% of the TOA. Under the Total Army program, the capability for consideration and management equal to Active Components must be provided for Reserve Component requirements. Recognizing the base level budgetary requirements needed to support state missions, the Army must be able to evaluate and influence Reserve Component resources for "tradeoff" in the same manner as for any other federal program or appropriation if the Total Army program is to remain viable. Accordingly, it is a fundamental requirement that the Reserve Component resource management process be effectively integrated into the overall management effort of the Army.

PROBLEM IMPACT

1. Program Resource Management Review. The unique staff rules of NGB and OCAR designed to give special attention to ARNG and USAR matters, clearly accomplish that mission. While NGB and OCAR manage the details of planning resources, this management arrangement must not reduce the involvement of other staff agencies in attending to RC matters. The perception of responsibility for and knowledge of Reserve Components is not possessed on the Army Staff to the same degree as with active components. Accordingly, the Army Staff has not fully developed the ability to evaluate Reserve Component programs in consonance with Total Army requirements.

2. Manpower Management.

a. The Army is unable to accurately determine, articulate, or justify its requirements for RC manpower, particularly technicians. Several studies of this problem are either underway or have been conducted, and a new Army Reserve staffing guide has been published; however, the technician program is not generally understood by the Staff. This lack of expertise results in an inability to validate, deny, or defend RC requests.

b. The Army staff, outside of OCAR and NGB, requires further education in the specific needs of RC. Manpower management of RC, as a part of the total force, must be improved and appropriate standards established, applied, and controlled under the Army manpower manager; ARMAAP (as discussed in chapter XI) must be aggressively applied to RC with emphasis focused on assistance; full interface of RC/AC systems must be accomplished and applied to integrated automated systems where feasible; RC manpower management policy must be timely, responsive to RC needs, and accommodate the needs of the total Army without restipulation in a transition to war.

3. Training Management:

a. The training of Reserve Components is constrained too much by the methods and techniques designed for the Active Force. Recognizably, the training base is structured principally to meet the requirements of Active Components; however, the growing dependence on Reserve Components in the Department of Defense responsibilities for executing national policy requires more innovation in meeting their training demands. The uniqueness of the citizen soldier does not necessarily require variation of the training standards, but methods must be adaptive to his special situation in terms of time, requirements for active duty, meeting total service obligation requirements, and integration into the total force. There is much more to be done in providing alternatives for initial skill and career progression training.

b. While there is a requirement for innovation and unconstrained thought in meeting Reserve Components training requirements, training management must be fully integrated under the purview of the Army training manager. This philosophy is not intended in any way to usurp the authority and responsibility vested in the Chiefs of Reserve Components, but rather, to complement their efforts and ensure the benefits derived from improvements developed for the Active Components are accommodated in Reserve Component programs.

1. FINDING:

The present Reserve Component staff organizations and appropriation directorships are appropriate, workable, and required to implement the intent of the law.

DISCUSSION:

A recent study by the Director of Management concluded that the functions performed by these staffs are not duplicative but parallel with the basic functions performed in other staff elements. While the specific staff structure of Reserve Components is not required by law, it is necessary for appropriate execution of the authority vested in the Chiefs of Reserve Components.

RECOMMENDATION:

Ensure full integration into all Army resource management mechanisms.

2. FINDING:

The Army Staff too frequently fails to recognize or address Reserve Component impact when programing/processing/implementing resource, manpower and training management actions.

DISCUSSION:

During POM development, the Army programmer must distribute the Army TOA among the various appropriations. The Army Staff is not proficient in developing tradeoffs among the various Reserve Component appropriations as evidenced by the lack of knowledge, expertise and data concerning ARNG and USAR programs. This problem is vividly displayed by the need to establish the Reserve Component Steering Committee (RCSC) and the list of actions reviewed by them over the past year (Table XII-1).

RECOMMENDATIONS:

- a. Require Reserve Component impact assessment on all Army resource staff actions.
- b. Task COA with increased budget execution review of Reserve Components the same as recommended for other appropriations.
- c. Task Comptroller, or other staff head responsible for Resource Management Review (discussed in chapter VII), with Reserve Component review responsibilities.
- d. Task the Manpower manager (discussed in chapter V) to apply and assume control of all Reserve Component manpower standards.
- e. Provide resource management assistance to RC through the Field Management Advisory and assessment program (ARMAAP) discussed in chapter XI.
- f. Task the Training manager (discussed in chapter VIII) with specific Reserve Component training responsibilities.

ISSUES REVIEWED BY THE
RESERVE COMPONENT STEERING COMMITTEE AND WORKING GROUP

1. OCAR and NGB are not information addressees on some FORSCOM RC correspondence/messages.
2. Management of the Army Reserve Technician (ART) program.
3. Development of training requirements/recruiting objective model (TRROM).
4. Reserve component functions performed by DCSPER, MILPERCEN, TAG and RCPAC.
5. Strength accountability of reserve components.
6. Development of IRR enlisted objective model.
7. Promotion boards for Reserve component unit positions.
8. Management of Army National Guard Personnel records.
9. Review of ARs which impact on reserve components.
10. Review of regulations for which reserve components are proponent.
11. USAR troop action program development and implementation.
12. Integration of real estate functions of RC under a single Army Staff Agency.
13. Transfer of OMAR RPMA budget responsibility from OCAR to OCE.
14. Programing and budgeting resources within the Army Staff.

Table XII - 1

XIII. SPECIAL CONSIDERATIONS - AIF, NAF, CITF

INTRODUCTION

1. During the course of this Resource Management Study, DA Staff management of three diverse areas - Army Industrial Fund, Non-appropriated fund activities, and commercial-industrial type functions - were continually spot-lighted as specific functional areas requiring detailed study and worthy of specific report comment.

2. Management responsibilities and processes of each of these areas were examined in detail in terms of the current DA Staff resource management organization and the impact of other key recommendations which would cause organizational changes. The following three sections to this chapter outline the existing problems, study findings and recommendations with respect to each of these functional areas.

Section A. Army Industrial Fund (AIF)

PROBLEM

The Army Staff does not effectively manage Army Industrial Fund (AIF) activities.

HISTORICAL BACKGROUND

1. The AIF was established under the authority of Section 2208, Title 10 USC. The Secretary of Defense prescribes the regulations governing the operations of activities authorized by this action. Its purpose is to provide financial authority and flexibility to procure and use manpower, materiel and other resources effectively and economically.

2. CSR 37-11, 28 June 1971, established the current Army Staff responsibilities of the Comptroller of the Army (COA) for appropriate accounting systems, management of the financial corpus and as the Director of AIF for presentation and justification of the AIF budget to OSA, OSD/OMB and Congress. CSR 37-11 also charges DCSLOG and the Chief, Research and Development (CRD) as AIF Activity Directors.

3. The DCSLOG was Director of the AIF prior to June 1971. The underlying reasons for transfer of directorship responsibilities for this function to COA are obscure.

4. The 1974 DA Staff reorganization continued COA as the AIF Director. Also, responsibility for functional coordination and manpower was transferred from DCSLOG to COA, resulting in the near total removal of DCSLOG from AIF management.

5. A revision of AR 37-110 in June 1975 passed functional AIF responsibilities to MTMC and DARCOM.

GENERAL DISCUSSION

1. The AIF is not an appropriation. It is a consolidated revolving capital fund. The fund consists of unexpended balances of cash on deposit in the US Treasury or its equivalent, accounts receivable, stores and supplies, work in progress, finished goods and all other current and deferred assets, pertaining to or acquired in the operations of all activities financed by the fund.

2. Installations/Activities operating under the AIF prepare and submit an annual operating budget based upon operating costs computed by the approved cost-accounting system. This budget includes end-strength and manyears for both military and civilian manpower. DA resource guidance to AIF activities indicates the authorized end-strength and manyears by AIF and other activities, however, the AIF Activity is authorized to adjust the end strength by appropriation and required to report adjustments to DA.

3. While the AIF directorship is assigned to COA, the principal AIF functions are performed within FYDP Program 7, for which the DCSLOG has program directorship responsibilities. The AIF is related so closely to the cited Major Program that it is difficult to program, budget and manage effectively under the currently divided assignment of related responsibilities. The largest AIF funded activities are for Depot Supply and Maintenance Operations (corresponding closely with OMA sub-programs 7S and 7M).

FINDING:

There is a critical requirement to establish an effective AIF management capability at DA Staff level. Management directorship responsibilities should be assigned on a functional basis.

DISCUSSION:

- a. While COA is tasked to provide guidance and direction to commands and agencies responsible for management of activities or investments financed by the revolving fund (CSR 37-4), his management capability is focused on fiscal oversight of the revolving fund.
- b. The 1974 DA Staff reorganization continued the COA relationship of AIF Director, but effectively removed the DCSLOG from management of this function by eliminating all manpower spaces involved in AIF functional review.

- c. A June 1975 change to AR 37-110 clearly delegated functional responsibility for AIF management to MTMC and DARCOM as AIF Activity Managers. This has essentially removed all vestiges of functional management responsibilities and capability from the DA Staff.
- d. The FY 78 OSD manpower reduction applied to AIF is an excellent example of built-in disconnects resultant from the current organization. Reduced AIF manpower had an impact on AIF funded workload capability. However, no DA Staff coordination as to the specific workload impact on the Army could be made due to current management responsibility assignments. Another significant problem rising to the forefront during formulation of the FY 78 Army Budget was the extent to which DARCOM AIF manpower was underfunded. The current management organization found that without a central AIF functional manager, resolution of even specific issues is difficult if not impossible.
- e. Directorship of AIF activities must be functionally related. While field command activity management may function well, the DA Staff can realize the greatest benefits in this area by tasking the DCSLOG with functional management responsibilities for activity and fund directorship, while concurrently charging COA with responsibility for fiscal controls and review.

RECOMMENDATION:

- a. Assign directorship of the Army Industrial Fund to DCSLOG and direct development of an effective DA Staff management capability for this function.
- b. COA retain fiscal management/control/review responsibilities for the fund corpus and financial reporting.

Section B. Non-Appropriated Fund Activities

PROBLEMS

1. Staffing standards and guides for determination of NAF manpower requirements are not part of the DA Staff manpower management process.
2. The DA Staff has limited capability to assess the allocation of appropriated funded manpower in support of non-appropriated fund (NAF) activities.

GENERAL DISCUSSION

1. The Adjutant General (TAG) is assigned Army Staff policy and operational responsibility for most Morale, Welfare and Recreation (MWR) programs (categories defined at figures XIII-1-3). This report focuses on Army Staff management of MWR programs, specifically as pertains to manpower requirements (appropriated and non-appropriated) in support of those programs.
2. The study group recognized that significant efforts have been made by TAG in recent years to synchronize appropriated and non-appropriated programing and budgeting for Category III MWR activities; in disseminating NAF fee, charge and staffing guidance; and in developing a quantification program in support of Morale, Welfare and Recreation programs.
3. Appropriated funded civilian manpower space requirements in support of MWR activities are now determined based on (a) whether or not assignment of appropriated fund personnel to specific MWR activities is authorized (AR 570-4) and (b) standards for those activities are prescribed in DA Pamphlet 570-551 (Staffing Guide for US Army Garrisons). TAADS documents reflecting these requirements are approved at MACOM/DA level and are subsequently validated through the manpower survey process.
4. The allocation of appropriated funded spaces against requirements in MWR activities is generally subject to local command determination based on manyear, dollar and end strength ceilings. The number of appropriated funded spaces allocated to MWR programs within local command ceilings is based on the relative priority of these programs in relation to the commander's overall mission requirements and in consideration of the amount of NAF available to the command for the pay of NAF personnel. In the programing and budgeting process, appropriated funded space requirements, are determined on the basis of total command space requirements, less those that can be financed from NAF sources (the total of locally generated income plus dividend allocations). The local commander exercises no control over dividend allocation; however, the commander does control locally generated income through implementation of TAG activity fee and charge guidance.

CATEGORIES OF MORALE, WELFARE AND RECREATION ACTIVITIES AND SUPPORTING NAFLs

CATEGORY	EXPLANATION OF EACH CATEGORY	TYPES OF MWR ACTIVITIES
I Armed Services Exchanges	Includes the functions of providing through the Exchange systems (a) reimbursable goods and services to authorized patrons, and (b) funds to support other designated morale programs.	<p>Headquarters Level Exchange Fund</p> <p>Retail store</p> <p>Soda fountain & snack bar</p> <p>Beer bar</p> <p>Gasoline filling station</p> <p>Car wash</p> <p>Restaurant & cafeteria</p> <p>Barber shop</p> <p>Beauty parlor</p> <p>Automobile garage & service station</p> <p>Newsstands</p> <p>Laundry</p> <p>Watch repair shop</p> <p>Radio & television repair shop</p> <p>Tailor shop, including dry cleaning & press</p> <p>Shoe repair shop</p> <p>Photographic studio</p> <p>Vending & amusement machines</p> <p>Grocery section (when specifically auth.)</p> <p>Taxicab & bus service</p>
II Other Baseale Revenue-Sharing	Includes the functions of providing, other than through Exchanges, (a) reimbursable goods and services to authorized patrons, and (b) funds to support other designated morale programs.	<p>Civilian dining vending activities</p> <p>Academic book store</p> <p>Cadet restaurant</p> <p>Stars and Stripes</p> <p>Audio Club (resale)</p> <p>Class VI stores/alcoholic beverage package stores</p>
III Military General Welfare & Recreation	<p>Includes the functions of providing welfare and recreation programs for military personnel.</p> <p>Category III A Nonappropriated Fund Instrumentalities provide nonappropriated fund support to those MWR activities in category III B. Category III B activities are generally administered by special services or recreation directors officers. These activities are divided into three groupings for funding support.</p> <p>Category III B activities will not be established, organized, or operated as Nonappropriated Fund Instrumentalities.</p>	<p>III A Headquarters Level MGV & R Fund</p> <p>Major Command Level MGV & R Fund</p> <p>Installation Level MGV & R Fund</p> <p>Company/Unit Level MGV & R Fund</p> <p>Inmate Confinement Welfare Fund</p> <p>III B</p> <p>GROUP I</p> <p>Libraries</p> <p>Sports Athletic, self-directed & unit level/Intramural</p> <p>Rec centers/rooms</p> <p>Shipboard & isolated/deployed unit motion pictures (free admise)</p> <p>Armed Forces professional entertainment overseas/Unit level programs/activities</p> <p>GROUP 2</p> <p>Arts & crafts (including automotive)</p> <p>Entertainment (including music & theatre)</p> <p>Outdoor recreation</p> <p>Swimming pools</p> <p>Youth activities</p> <p>Sports-competitive (above intramural)</p> <p>Child care centers</p> <p>Stables</p> <p>Marina /boating</p> <p>Bowling (6 lanes or less)</p> <p>GROUP 3</p> <p>Bowling (more than 6 lanes)</p> <p>Motion pictures (paid admise)</p> <p>Bingo</p> <p>Golf</p> <p>Skating rinks</p> <p>Pro shops*</p> <p>Snack bars operated by recreation programs*</p> <p>Sheet/trap ranges</p> <p>Armed Forces recreation centers</p> <p>Cabin/cottages</p>

* When not operated as an integral part of another activity

Figure XIII-1

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CATEGORIES OF MORALE, WELFARE AND RECREATION ACTIVITIES AND SUPPORTING NAFIs

CATEGORY	EXPLANATION OF EACH CATEGORY	TYPES OF MWR ACTIVITIES
IV Civilian Employee General Welfare & Recreation	Includes the functions of providing welfare and recreation programs for civilian personnel.	Headquarters Civilian Employee General Welfare & Recreation Fund Major Command Civilian Employee General Welfare & Recreation Fund Installation Civilian Employee General Welfare & Recreation Fund Civilian welfare/recreation activities
V - Open Messes	Includes the function of providing messing, and essential feeding where required, as well as social programs, services and facilities to membership groups.	Headquarters Level Military Open Mess Fund Major Command Level Military Open Mess Fund Installation Club Management Office Commissioned Officers Mess Open Senior/Staff NCO/CPO Mess Open NCO/PO Mess Open Enlisted Mess Open Consolidated Mess Open * Existing and under construction only. Future swimming pools and tennis courts will be in category III.
VI Other Membership Association	Includes the function of providing morale programs, services, and facilities (other than open messes) to special interest groups. These NAFIs neither receive revenue from nor dis-tribute dividends to other NAFIs. Merchandise is sold only to members and is directly related to the purpose and function of the membership association.	Headquarters Membership Association Fund Major Command Membership Association Fund Aero (flying) Amateur radio Boating/sailing Community TV Motorcycle Parachute/sky diving Scuba diving Other membership associations may be authorized by the DOD Components provided that facilities and activities do not duplicate those in category III B.
VII Common Support Service Nonappropriated Fund Instru-mentalities	Includes all Nonappropriated Fund Instru-mentalities performing consolidated support services functions such as accounting, procurement, or personnel services for more than one category of NAFIs. Does not include staff management functions at installation, major command, or Service headquarters levels, the costs of which are allocated to the benefiting categories.	Headquarters Level Common Support Services Fund Major Command Level Common Support Services Fund Installation Common Support Services Fund

Figure XIII-2

CATEGORIES OF MORALE, WELFARE AND RECREATION ACTIVITIES AND SUPPORTING MATR.

CATEGORY	EXPLANATION OF EACH CATEGORY	TYPES OF MWR ACTIVITIES
VIII Supple- mental Mission Services, Non- appropriated Fund Instrumen- talities referred to in DODI 7000.12	Includes all Nonappropriated Fund Instru- mentalities providing MWR services as adjuncts to training, health, billeting, or other mission support programs. (NOTE: Costs of mission support programs and personnel assigned to these programs will be reported under DOD Instruction 7000.12 only to the extent that they relate directly to the Non- appropriated Fund Instrumentality or its functions. For example, costs of operating billeting will not normally be charged to category VIII. Billeting fund activities are limited to those that supplement the appropriated fund program supporting the billeting mission, e.g., provision of room maid service.)	Headquarters Level Supplemental Mission Fund Academy Dining Hall Supplemental Mission Fund Billeting/Housing (includes temporary lodging facilities & guest houses) Supplemental Mission Fund Thayer Hotel Supplemental Mission Fund Cadet Awards Supplemental Mission Fund Chaplain Religious Fund Dependent School Supplemental Mission Fund In-Flight Services Supplemental Mission Fund Military Museum/Historical Supplemental Mission Fund Vehicle Registration Supplemental Mission Fund Animal Care Fund Voluntary Contribution Supplemental Mission Fund Academic Support Supplemental Mission Fund Commandant's School Supplemental Mission Fund Special Learning Center Supplemental Mission Fund West Point Tailor Shop Supplemental Mission Fund Athletic Association Supplemental Mission Fund United States Disciplinary Barracks Supplemental Mission Fund Cadet Publications Supplemental Mission Fund

This list of MWR activities is not intended to be all inclusive. DOD Components may approve additional MWR activities in appropriate categories as required. Management of MWR activities will be consistent with their categorization. Open messes (cat. V) may manage alcoholic beverage package stores (cat. II), and Exchanges (cat. I) may manage paid-admission motion pictures (cat. III B3), provided that separate income and expense records are maintained. Heads of DOD Components may authorize similar management arrangements, for efficiency or economy, provided that resources are allocated and financial operations are reported in accordance with DOD categorization.

Figure XIII-3

XIII-B-4

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5. TAG addresses NAF and appropriated fund budget requirements for the eight categories of Morale, Welfare and Recreation programs and develops a coordinated Army-wide program. The integration of NAF and appropriated fund requirements becomes increasingly important when one considers that recreation activities are primarily appropriated funds, supplemented by NAF.

1. FINDING:

Development and approval of manpower standards and staffing guides for NAF activities should be included as an integral part of the Army manpower management process.

DISCUSSION:

- a. The findings and recommendations outlined at Chapter V amalgamate the functional responsibilities for standards determination, utilization, personnel policy and allocation as they pertain to appropriated funded manpower with a DA Staff Director of Manpower as an integrated manpower management process.
- b. While determination of total manpower requirements for Morale, Welfare and Recreation programs should remain a function of the local commander, those requirements should be based on standards and staffing guides approved by the Director of Manpower, whether for appropriated or non-appropriated funded spaces. Where existing staffing guides now do this for authorized appropriated fund requirements, they should be expanded to include non-appropriated fund requirements where applicable, with modifications as necessary to accommodate the type of NAF employees (fulltime, part-time, and intermittent) used in MWR activities. To do otherwise would perpetuate allocation of appropriated funded spaces largely on a basis of the "squeaky wheel" concept and subject NAF manpower utilization only to the challenge of the NAF functional manager. The development of those standards and staffing guides, however, is a logical responsibility of the functional manager of NAF activities - TAG.
- c. The expanded field management assessment program (ARMAAP), discussed in detail at Chapter XI, could provide TAG an expanded capability for the development of manpower staffing standards as well as assessment of command adherence to approved staffing guides.

RECOMMENDATION:

Standards and staffing guides for determination of appropriated and NAF manpower levels in support of MWR activities, although developed by the functional manager, should be approved by the Director of Manpower. The Director of Manpower should ensure integration of appropriated funded manpower allocations in support of NAF activities into the overall manpower management process.

Section C. Commercial-Industrial Type Functions (CITF)

PROBLEM

The DA Staff has no system for integration of CITF actions (conversion, New Starts and Quick Return on Investment) into the PPBS and full involvement of the DA manpower manager in manpower/personnel impacts of CITF actions.

GENERAL DISCUSSION:

1. Bureau of the Budget Circular A-76 March 3, 1966, as revised, establishes the policies for acquiring commercial or industrial product and services for Government use. The provisions of the circular are applicable to newly established Government Commercial or industrial activity involving additional capital investment of \$25,000 or more or additional annual costs of production of \$50,000 or more or a reactivation, expansion, modernization or replacement of an activity involving additional capital investment of \$50,000 or more, or additional annual costs of production of \$100,000 or more. The provisions of Circular A-76 have been implemented by DOD Directive 4100.15 and DOD Instruction 4100.38, and in turn by AR 235-5 and AR 11-28.

2. The Army has provided for a Commercial and Industrial-Type Activities Program (CITA) to implement provisions of the Circular A-76 and the preceding cited references. The CITA Program had been relatively dormant until Presidential emphasis was applied in 1976.

3. PL 95-79 directs the Secretary of Defense and the Director of the Office of Management and Budget to conduct jointly a complete and comprehensive review of criteria used in determining whether commercial or industrial type functions should be performed by Dept. of Defense personnel or by private contractors. A detailed report was required to be submitted to the Committees on Armed Services of the Senate and the House of Representatives by 1 January 1978. PL 95-111 Sec 852 placed a prohibition on the use of funds appropriated by PL 95-111 for conversion of operating support functions, excluding real property maintenance and repair, to commercial contract during the period 1 Oct 1977 and 30 Sep 1978 or to continue to fund such type contracts which may have been awarded between the date of enactment of PL 95-111 and 30 Sep 1977.

4. The Administrator for Federal Procurement Policy, Office of Management and Budget, has proposed 36 changes to OMB Circular A-76. The proposed changes published in the Federal Register, November 21, 1977 are intended to make applications of the policies for acquiring commercial or industrial products and services for government use more equitable and consistent throughout the executive branch.

5. The RMSG recognized the efforts of Army Management Division (OCSA) in developing CSM 78-235-12, 2 Jun 1978, which tasks agency heads to ensure compliance with contracting policy when directing mission changes.

FINDINGS:

- a. The CITF/CITA is not integrated into other Army programs. It is not consistent with the Planning, Programing and Budget System (PPBS), and the Army Management Structure (AMS).
- b. Program has lacked positive direction.
- c. No real emphasis placed on contracting.
- d. Program has potential for generating savings in manpower and funds.
- e. Closer coordination with manpower functions is mandatory.
- f. AR 235-5 is too difficult to read and is not sufficiently explicit in criteria to enable rational and timely decision to be made within the existing Army Management Structure. Appropriate cross-walk between AR 235-5 and other pertinent ARs is not provided.

DISCUSSION:

- a. The failure to include CITF in other Army programs creates many problems. Program and Budget Guidance (PBG) given to the field rarely, if ever, takes into consideration the probability that the guidance will create a necessity to initiate an action under provisions of AR 235-5. Personnel developing the PBG, too frequently are not aware of the Provisions of AR 235-5, and provide guidance to commands that results in increased operating costs that will require commands to seek quick approval of the Secretary of the Army or Secretary of Defense. The net effect is that a Commander is directed to carry out a policy and is then overwhelmed with reporting requirements that make it almost impossible to accomplish. Much of the CITF actions take place at installation level but are administered in great detail at DA level. CSR 78-235-12, dated 2 June 1978, imposes a requirement for consideration of CITA policies on contracting by each DA Staff agency when directing mission changes. Close adherence to this regulation should reduce the impact of CITA on field commands.

- b. There is potential for generating savings in manpower and funds. However, when a conversion to contracting results in a reduction-in-force, the obstacles tend to become insurmountable.
- c. Projects which increase productivity, even though there is no increase or decrease in manpower, must be deferred until an action is taken under provisions of CITF procedures and an approval obtained from OSA or OSD.
- d. Although some CITF actions will not involve manpower, most will impact heavily on manpower.
- e. CITF actions received from the field, now handled by the DA Director of Management (DM), formerly were processed by DCSLOG. The DM forwards the actions to other DA staff elements for coordination and comment. DM incorporates the DA Staff comments and forwards the action to OSA for approval. When approval is received, DM takes all steps necessary to advise Congress, news media, and unions in those cases where a reduction in force takes place.
- f. The placement of primary DA Staff responsibility for CITF actions is relatively unimportant as long as timely coordination with the manpower manager is completed. Precluding any changes in policies or procedure on the part of Congress, OMB and OSD, there is no primary factor that would have a significant influence on the assignment of staff responsibility for this function. The DM is considered appropriate in that he lacks functional pronency for any activities that come under CITF policies. Further, the location of DM on the DA Staff facilitates OCSA review of an extremely sensitive area of Staff management.

RECOMMENDATION:

- a. That the DA Staff responsibility for CITF remain assigned to Director of Management in OCSA until OMB/Congressional policies regarding this function are solidified in terms of the impact on base closures and reductions in force. Thereafter, consideration should be given to transfer of staff responsibility for the CITF function to the Manpower Manager.

- b. That AR 235-5 be revised to be more explicit and easily readable and to provide a cross-walk to other regulations/directives, that impact directly on CITF. Special attention be given to manpower directives.
- c. That all planning and programing guidance that changes or assigns missions, be reviewed by the CITF manager prior to issuance to determine probable impact on CITF actions. Special attention be given to reviewing the PBG prior to release.

XIV. DECISIONMAKING AND ROLE OF DAS

PROBLEMS

1. The broad range of problems facing the Army Staff and poor delineation of functional responsibilities have necessitated the formation of a number of standing committees to be used for decisionmaking. This approach to corporate decisionmaking is necessary for some broad, high impact issues, but extensive reliance on committees for resolution of functionally related issues has reduced managerial time and discourages functional managers from making decisions on tough issues.

2. Three committees, the Strategy Planning Committee (SPC), the Program Guidance Review Committee (PGRC) and the Budget Review Committee (BRC), are chaired by the staff functional proponent for the element of the Planning, Programing and Budgeting System (PPBS) which corresponds to the purpose of the committee. These committees provide critical guidance to the Staff in the accomplishment of the PPBS, however, they tend to preclude the insertion of VCSC/CSA guidance at these critical points in overall Army Staff operations.

3. Some "critical decisions" which have a major impact on the Army's direction in both the current and future years get little attention outside those agencies making the determinations.

4. The current decisionmaking and management effectiveness review processes frequently do not cause CSA involvement on a timely basis.

HISTORICAL BACKGROUND

The Army has always used committees of various configuration to resolve intended functional conflicts. The present committee structure has evolved since then Secretary of Defense McNamara directed that the Army implement his mission-oriented Planning, Programing and Budgeting System and Five Year Defense Program. The SELCOM is the Army's principal committee and under the chairmanship of the Vice Chief of Staff, reviews, coordinates and integrates the activities comprising the PPBS. It has the authority to act on its own, or it may recommend action to the Chief of Staff or Secretary of the Army. The SELCOM has three principal subcommittees which are associated with specific elements of the PPBS, and they serve to screen out minor issues and make recommendations on major issues regarding Planning, Programing and Budgeting.

DISCUSSION

1. The current DA Staff committee structure is intended to consider and interpret guidance received from the Secretary of the Army and the Secretary of Defense. It is also intended to review major issues prior

to decision to insure that integrated guidance is provided to the staff. However, the "crisis" orientation of today has precluded the SELCOM from addressing issues early in their development and the tendency now is to allow the Staff to address specific issues without detailed corporate guidance and then use the SELCOM to resolve functional non-concurrences prior to either making a decision or passing the action to the CSA for decision.

2. Since two steps of the PPBS are addressed as separate staff actions, the need for two committees to address these areas is reflected by the establishment of the Program Guidance Review Committee and Budget Review Committee. As indicated in Chapter VII, the functional separation of these two interrelated aspects of PPBS is not desirable; likewise, the conduct of two committee actions is equally undesirable. A single Program Budget Committee, chaired by the Comptroller would provide more unified guidance and decisionmaking capability than is currently experienced.

3. Much of the current reliance on the committee process for decisionmaking is a direct result of the functional split in authority evidence in the current DA Staff structure. Recommendations contained in this study will alleviate much of this functional crossing of authority and thus will enable Staff functional heads the opportunity to comfortably render decisions in matters within their staff areas of interest which must now be presented to the SELCOM for resolution. Staff processing of Manpower and Training issues are excellent examples.

4. There are matters, both of a broad and specific nature, which indicate that CSA guidance early on is necessary for satisfactory resolution. Examples of such events might be a large reduction in Army end-strength occurring during the current year or the formulation of next year's budget. Many currently ill-spent staff hours could be saved through the provision of such broad guidelines and the resulting recommendation from the Staff would have a much higher probability of satisfying to total objectives of the Army than is currently experienced.

5. In order for such guidance to be provided, the SELCOM appears to be a viable vehicle for translating the Chief of Staff's goals and objectives to the Staff. By having the CSA chair and address the SELCOM at regularly scheduled sessions throughout the year, the staff would be kept better informed and thus more singularly directed. In addition, the CSA should be periodically advised of the current state of the Army's management effectiveness. This could be accomplished by having the COA, because of the Resource Management Review responsibility, provide an update to those SELCOMs chaired by the CSA. These special SELCOM are indicated on the March, June, September, and December sessions on Table XIV-1.

MONTHLY SELCOM SCHEDULE (SELCOMs which should
be attended by the
Representing 'Key Decision Points'
CSA are indicated)
(FY 78 Represented)

<u>OCT (CY78)</u> • Appoint Program Force FY81-85 • Oct PBs (FY 79, 80, 81)	<u>NOV (CY78)</u> • AMIBUS Review FY78, 79	<u>DEC (CY78)</u> • Budget Major Issues FY80, 81 • EME End FY78 CSA	<u>JAN (CY79)</u> • CG Major Issues FY 81-85 • Jan PBs FY80, 81	<u>FEB (CY79)</u> • APPSM FY81-85 • Manpower & Fiscal Guidance FY81-85	<u>MAR (CY79)</u> • Program Priorities FY81-85 • EME 1st Qtr FY79 CSA
<u>APRIL (CY79)</u> • Program Review FY81-85	<u>MAY (CY79)</u> • Annex J FY81-85 • May PBs FY 80, 81, 82	<u>JUN (CY79)</u> • EPA & • EPA Affordability • EME 2nd Qtr FY79 CSA	<u>JULY (CY79)</u> • PCM FY81-85	<u>AUG (CY79)</u> • Program Major Issues FY81-85 • FSA, FY82-85 • Budget Guidance, FY 81, 82	<u>SEP (CY79)</u> • ARE • OSD FY81, 82 • Final Budget Changes, FY80 • EME 3rd Qtr FY79 CSA

Others (Unscheduled)

- Army Goals
- LOA's
- ROK's BOIP
- DCP's
- DPM's
- APM's
- Prelim ASARE's

- ASARE's I, II, III
- DSARE's

Are we still
on track?

RME

- What has happened of significance?
- Materiel Acquisition Impacts?
- Manpower & Personnel Impacts?
- Force Structure Impacts?
- Budget Status (Execution etc.)?
- Program Impacts?

Table XIV-1

MONTHLY SELCOM SCHEDULE (SELCOMs which should be attended by the Representing 'key Decision Points' (FY 78 Represented) CSA are indicated)

<u>OCT (CY78)</u> • Appoint Program Force FY81-85 • Oct 78 (FY79, 80, 81)	<u>NOV (CY78)</u> • AMNIBUS REVIEW FY78, 79	<u>DEC (CY78)</u> • Budget Major Issues FY80, 81 • RME END FY78 CSA	<u>JAN (CY79)</u> • CG Major Issues FY81-85 • Jan 78, 81 FY80, 81	<u>FEB (CY79)</u> • APPAS Major FY81-85 • Management Fiscal Guidance FY81-85	<u>MAR (CY79)</u> • Program Priorities FY81-85 • RME 1st Qtr FY79 CSA
<u>APRIL (CY79)</u> • Program Review FY81-85	<u>MAY (CY79)</u> • Annex J FY81-85 • May 78, 81, 82	<u>JUN (CY79)</u> • EAQ & EPA Affordability • RME 2nd Qtr FY79 CSA	<u>JULY (CY79)</u> • RCM FY81-85	<u>AUG (CY79)</u> • Program Major Issues FY81-85 • FSA, FY82-86 • Budget Guidance, FY81, 82	<u>SEP (CY79)</u> • AEF 4030 FY81, 82 • Final Budget Changes, FY80 • RME 3rd Qtr FY79 CSA

Others (unscheduled)

- Army Goals
- LOA's
- RAC's BOIP
- DDP's
- DPM's
- APM's
- Pre-lim ASARC's

- ASARC's I, II, III
- DSARC's

Are we still on track?

RME

- What has happened of significance?
- Materiel Acquisition Impacts?
- Manpower & Personnel Impacts?
- Force Structure Impacts?
- Budget Status (Execution etc)?
- Program Impacts?

Table XIV-1

6. In addition to these special SELCOM's the committee should meet at other regularly scheduled points throughout the year to address specific critical decisions and furnish specific guidance to the Staff. The calendar at Table XIV-1 reflects topics which should be addressed at predetermined times throughout the year and are time-phased to correspond with appropriate PPBS events. This schedule would not preclude the assemblage of the Committee at other unscheduled times to address urgent issues. It is expected, however, that the issuance of early guidance and the more clearly defined functional responsibility and authority discussed earlier would do much in reducing the number of unscheduled meetings of the SELCOM required.

7. To further aid the decisionmaking process, the DAS should enter an active role in providing the Staff early guidance in dealing with critical issues. His position would allow the desires of the CSA to be transmitted directly to the staff, and his staff coordinating responsibility would enable him to ensure the functional cross-walking of critical issues. In order to accomplish this task it is advantageous to fill the analysis and evaluation void caused by the shift of PA&E from OCSA by establishment of a small Policy and Guidance element in the DAS organization. This element, organized as shown in Table XIV-2 and with specific functions as shown in Table XIV-3, would review significant actions early in the staff decision process to ensure that adequate guidance on a current policy of the CSA are provided to the staff. This group would, as an inherent part of their function, maintain close liaison with the CSA and, as such, provide the Chief with a capability of addressing matters of an urgent matter similar to the role now performed by PA&E.

8. With the DAS actively involved in the DA Staff decisionmaking process, he would further assist by determining the level of approval needed for staff actions which cannot be resolved at the functional level. He could either channel coordinated staff positions with any alternatives either directly to the VCSA/CSA, through the SELCOM or through a combination of both. A graphic display of this procedure is shown at Table XIV-4. This procedure would further help to eliminate the need to convene a SELCOM for each major issue facing the Army and would more actively involve the DAS in the resolution of problems facing the Army.

FINDINGS:

- a. The present use of committees results in a reduction of decisionmaking authority inherent with Staff functional managers. This is further complicated and reinforced by the lack of clearly defined functional responsibility within and between the major elements of the DA Staff.
- b. The increased use of committees to resolve crisis issues results from a lack of clear guidance early in the staff process and thus creates much non-productive effort within the Staff in addressing difficult issues.

- c. The Chief of Staff needs a forum in which he can provide direct guidance to the staff on those critical issues which govern the direction of the Army both in current and future years. Further the Chief needs and is entitled to a periodic "state-of-the Army" in terms of its management effectiveness. The SELCOM can provide this forum and the Comptroller, in his expanded role as the Resource Management Reviewer, could provide the CSA with an analysis of the Army's management effectiveness and its effect on the Army Program.
- d. The DAS, though not a functional decisionmaker, is best informed to judge prior knowledge, interest, impact, and sensitivity of the CSA and VCSA to various issues and to exercise discipline over the prescribed decisionmaking procedure. With the recommended shift of PA&E to the Comptroller, the DAS in-house review, analysis, and evaluation capability is markedly reduced, making establishment of a small Policy and Guidance element (as at Table XIV-3) to provide a link between the CSA and the Staff a valid consideration.

RECOMMENDATION:

- a. That emphasis be placed upon the role of the DAS with regard to providing guidance early in the staff problem solving process.
- b. The SELCOM be relieved of its current burden of furnishing the majority of corporate decisions by more clearly fixing functional responsibility within the DA Staff such that functional Staff Heads will be better able to make decisions within their own areas of responsibility.
- c. That the SELCOM be scheduled to meet at regular, predetermined times corresponding with critical decision points within the PPBS cycle, with unscheduled meetings as required.
- d. That the CSA attend quarterly sessions of the SELCOM in order to provide the Staff with broad guidance on the addressal of critical issues.
- e. That during the SELCOMs chaired by the CSA, the Comptroller provide an informational briefing structured to apprise the Staff of the current management effectiveness and associated problems, as revealed by the Resource Management Review Process.

f. That the DAS assume a more critical role in the Army decisionmaking process both in the form of providing guidance early in the addressal of issues, and in determining the decision process needed to resolve conflicts on difficult issues. In order to accomplish this role he be provided a Policy and Guidance element which would collate and disseminate CSA goals and objectives as well as function as a "fire fighting" team for the CSA.

g. That use of high level formal committees be de-emphasized by combining the PGRC and BRC into a single PBC under the COA, and that the PBC and SPC be divorced from the SELCOM structure and made responsible solely to the COA and DCSOPS, respectively.

REORGANIZED ODAS

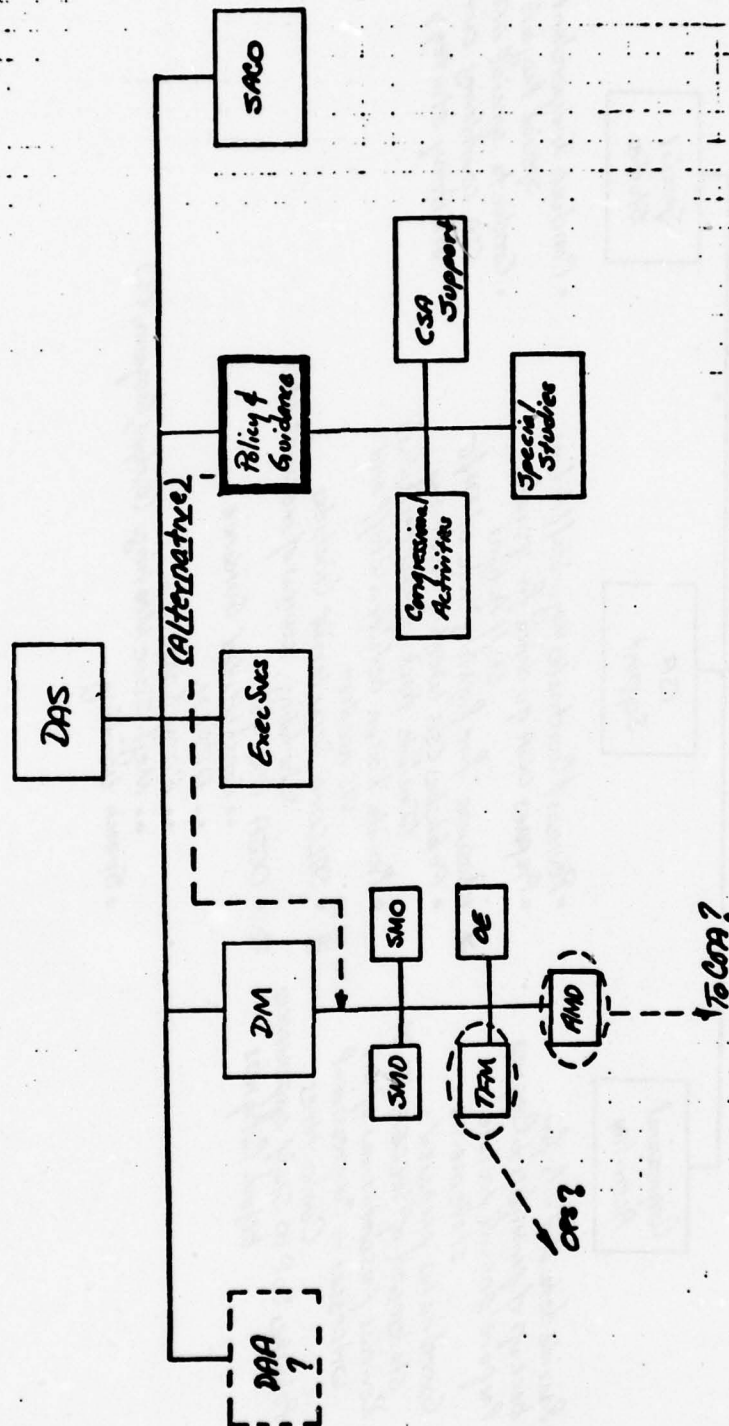


Table XIV-2

Duties of the Policy & Guidance Division of ODAS

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Policy & Guidance Division

Congressional Activities

- Provide data and info for back up of principals to Congress
- Prepare annual feature statements
- Coordinates prepared statements of SECDEF, JCS, SA
- Reviews presentations of DA witnesses to Congressional Committees
- Publishes SOP on Staff appearances before Congress

CSA Support

- Reviews & Coordinates Major Staff Actions
- Prepares CSA guidance for special Staff Actions
- * Assume "fine fighting" role of staff
- Publishes CSA Weekly Summary (Include track of key decisions)
- Provide liaison between staff and WS readers
- * • SELCOM Secretariat (includes scheduling, review of material etc)
- * • OCSA ROC for:
 - .. Consolidated Guidance
 - .. APPGM
 - .. Army Goals
 - .. Major Issue Meetings (Budget Program CS)
- Speech Writing

Special Studies

- Conducts Independent Studies and Special Projects for CSA, USA, DA
- Conducts special analysis for CSA containing critical comments on Army strategy and operations

* Indicates new activity not presently performed by DM, Exec Sec or SACO.

RM DECISION PROCESS

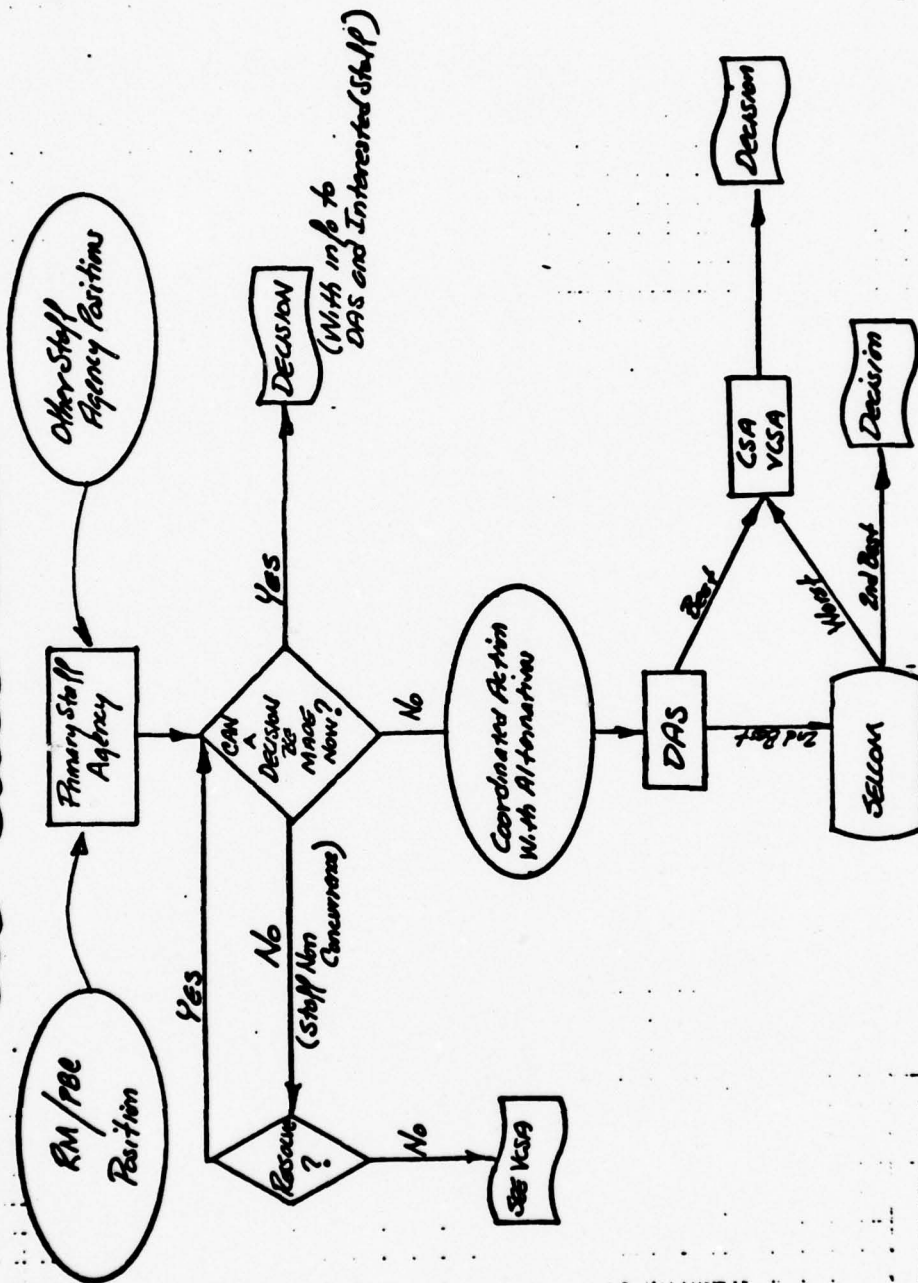


Table XIV-4.

XV. WAR/EMERGENCY IMPACTS

OVERVIEW

In the preceding chapters, findings and recommendations relative to improved resource management on the Army Staff were presented for a variety of issues. In this chapter certain of these are addressed again to emphasize their impact on the capability of the Army Staff to transition rapidly to a War/Emergency posture. Although findings cited are new, recommendations are not since they merely reiterate what has been presented in earlier chapters. A single problem is cited, followed by findings in these six areas:

Manpower Management

Training Management

Resource Management Contingencies

Decision Making

Resource Management Policy

Management Information Systems

PROBLEM

The RM organization and RM procedures currently in use on the Army Staff are not conducive to a rapid transition from a peace time to a war/emergency posture.

GENERAL DISCUSSION

1. With respect to resource management, the Army Staff is too peacetime oriented. Because of the often crushing demands of the PPBS, and the routine nature of the RM business, the criticality of effective resource management in time of war or emergency is often forgotten. Over the years RM organizations and procedures have evolved to the point that they are cumbersome and inefficient and if a war/emergency occurred, quick-reaction in certain resource areas would be difficult. The peacetime demands of the PPBS will not go away, so there is a clear need for developing continuity between organizations and procedures needed to respond to these peacetime demands and those that can be assumed as necessary in a war or emergency. If there are relatively inexpensive/uncomplicated organizational or procedural changes that can assist in establishing this continuity, then they should be made immediately. If certain of these changes are costly, yet are deemed essential, then they should be planned and programed now to ensure their occurrence in line with other Army priorities.

2. The RMSG spent considerable effort on the matter of war/emergency transition. During the analysis phase of the study several scenarios were used to evaluate the ability of the current organization to respond in certain functional areas. In this scenario evaluation, the RMSG considered response during the first six months of a war/emergency as critical. Much of the material presented in this chapter, therefore, relates to the "short war" scenario where it is assumed that equipment and personnel replacements would be scarce or non-existent during the first six months. During that critical period the ability to tap readily available resources and rapidly shift them to cover urgent needs, becomes essential. The rationale presented also applies to major emergencies short of war.

1. FINDING:

Fragmentation of the manpower function and the lack of an integrated manpower/personnel management system degrades the ability of the DA Staff to be responsive in time of war or emergency.

DISCUSSION:

- a. In a war requiring substantial increases in manpower, the fundamentals associated with manpower resource management change radically. End strength and man year controls are generally lifted in such instances and the Army is faced with the problem of filling huge numbers of empty spaces. In such a situation space management is nowhere near as important as face management - space authorizations are not the driving factor. Far more important is what is on hand and what is realistically attainable relative to what is required. In a case where a commander is authorized a certain number of spaces to perform a wartime critical function but finds he needs more to get the job done, the goal would be to get him as many faces as possible, and the original space authorization becomes meaningless.
- b. Strength on hand and the ability to fill empty spaces becomes critically important in time of war. What is needed is a complete manpower/personnel reporting system linking military, civilian and reserve manpower requirements with actual numbers of individuals (by grade etc.) that are available. Such a system demands close cooperation between DCSOPS, DCSPER, MILPERCEN, TAG, CNGB, CAR, RCPAC (for IRR), and Major Commands if it is to be viable and responsive. Historical accounts of previous emergencies point to case after case of manpower/personnel difficulties in the early stages because of a failure to anticipate fully manpower and personnel impacts and design management systems with a war/emergency focus. Rapid

identification and call-up of individuals with key skills is an example of a recurring problem that could be alleviated with proper planning - and the lack of manpower skills can create other difficulties. An excerpt from accounts of the logistics situation during the early stages of the Korean conflict illustrates the essentiality of certain types of skills in the logistics area:

"Adding to the difficulty of the logistic situation was the unusual dependence upon indigenous personnel which had developed within the U.S. Army in Japan during the years following World War II. Basically, this dependence stemmed from the acute shortages of trained American soldiers to perform specialized functions of the type normally carried out by service units. In the absence of sufficient service units and with emphasis transferred to a great extent from field-type operations, the natural result had been to exploit the enormous pool of manpower available in Japan. Japanese workmen carried out duties in support of U.S. Army units and in installations ranging from menial mess-hall tasks to highly technical functions calling for advanced training and great skill. Base areas, depots, and ports were manned by Japanese personnel under Army supervision, while protection of these installations, as well as other less sensitive areas throughout Japan, was largely delegated to Japanese guards." 1

Do current mobilization plans recognize this problem? They do - but the problem is the lack of a manpower/personnel system interface which can help solve it. (Manpower managers identify the requirements - personnel managers fill them.)

- c. In war, constraints other than those that are peacetime related (ES etc.) become important. Available skills relative to available equipment (radar technicians to radars etc.), the level of expertise of those in the reserves, (how much training has an individual been receiving etc.) are examples of such

1. Schnabel, James F., US Army in the Korean War - Policy and Direction: The First Year. Washington, D.C.: US Gov't Printing Office, 1972, p. 58.

constraints. An obvious real life constraint which can exacerbate the manpower/personnel problem is the available transportation for moving the troops. Vast quantities of manpower are useless if they can't be moved to desired locations. The following quote describing a WWII experience sheds light on this subject:

"The advent of war and the need of conducting operations on the far side of oceans brought to light a paradox by no means new in military history, namely that armies may be immobilized by their own means of transportation. The quantity of motor vehicles provided for combat units in prewar planning, mainly with an eye to mobility under field conditions in the United States, greatly added to the requirements of units for ship space and hence reduced the number of units that could be sent overseas. The more vehicles were used overseas the more ship space was required for fuel, lubricants, spare parts, replacement vehicles, drivers, and repair crews, and the less was available for combat personnel, weapons, and ammunition."2

To avoid difficulties such as this, manpower/personnel mobilization planning with full consideration of requirements in other functional areas is essential.

- d. The solution to wartime manpower/personnel problems lies in linking the two management systems and in clearly fixing responsibility for manpower and personnel in one staff agency. Only then can effective mobilization planning in these key areas take place. What is the logical staff agency to do this type of planning? Is it ODCSOPS with a force structure orientation, OCA with a dollar orientation or ODSPER with a personnel orientation? Under the OCA option manpower/personnel contingency planning would be most difficult and the last thing the DCSOPS needs in wartime is manpower management. Directing operations, (including those involving mobilization), would create

2. Greenfield, Palmer and Wiley, US Army in WWII - The Army Ground Forces, The Organization of Ground Combat Troops, Washington, D.C.: US Gov't Printing Office, 1947, p. 281.

a tremendous workload in ODCSOPS. To operate in that environment the DCSOPS does not need manpower allocation systems yet the DCSPER needs every bit of manpower/personnel information he can find. A case in point - is it reasonable to assume that only 60% of available reserves will show up if called? If so then there needs to be manpower/personnel contingency planning now to preclude a disastrous situation (for example should RC space authorizations be more in line with "show" probabilities?) In wartime the manpower function, as we know it today, would transition to ODCSPER anyway - why not place it there now?

RECOMMENDATION:

Emphasize face/space management on the DA Staff by consolidating manpower in DCSPER and tie manpower reports to personnel reports. (See chapter V for additional detailed manpower recommendations.)

2. FINDING

The split of individual and collective training on the DA Staff degrades the ability of the staff to respond to a war/emergency situation where large numbers of individuals must be made combat ready in a very short time - and with limited resources (resource in the broadest context - fuel, equipment etc).

DISCUSSION:

- a. Training is the Army's most important peacetime mission, but the Army could be in serious difficulty if the need arose to train vast numbers of individuals in a very short time. In such a situation, success would depend on the existence of total training mobilization plans which relate the requirements for training of individuals and of units. Recent challenges to the size of the Army training base demand that the Army present a clearer case with respect to Total Army training - a case which can be clearly related to Army wartime needs. An example of such a need is adequate real estate. Many bases (like Ft. Jackson) are not large enough to bring divisional size units to wartime readiness. Throughout the country, civilian construction is rapidly closing in on the edges of potential training sites thus constraining the capability to conduct large scale training. In future wars such constraints would be far more critical than in previous conflicts because training with modern weapons systems requires considerable space. The Army has difficulty right

now finding space to train on such systems as DRAGON, TOW etc. Given a massive mobilization scenario how would such training be conducted? Simulators could help - if the Army had them. But plans and programs for such devices are not at all complete.

- b. What level of individual and unit training is the Army willing to accept? How proficient does a tank driver really have to be? What does it take to prepare a man to be an effective 2nd Lt in the next war? How much training does a man really need before joining his unit? Finding answers to these questions is most difficult when there is no one in charge of Total Army military training. But the answers are essential to improve wartime readiness through training. In today's complex technological environment soldiers must be trained better than they ever were before - but trained in the essentials, not the "nice to have". If faced again with the disastrous situation with respect to training that the Army faced in the early stages of the Korean conflict, a much improved response is essential. If the training base is sharply reduced, the Army could be heading towards the same situation that existed prior to Korea. The following quote says it all:

"Training programs were hampered by lack of funds, and this, together with the absence of a sense of urgency, detracted from the combat readiness of Army forces in being in 1950. Until 1949 basic training lasted only eight weeks, and graduates sent overseas usually had to undergo further basic training before they could be assigned to units. The Army put in a 14-week training cycle in March 1949 and, although this cycle did not provide for branch training (i.e., artillery, engineers), it included a sufficient amount of basic subject material to give an adequate foundation on which to build individual and unit training. This came rather late for the Korean War."³

Is the Army in danger of returning to this situation as a result of training base reductions?

3. Schnable, James F., US Army in the Korean War - Policy and Direction: The First Year. Washington, D.C.: US Gov't Printing Office, 1972, p.45.

- c. The Army clearly needs a comprehensive and salable training plan that ties together all aspects of unit and individual training and which considers fully state-of-the-art technology in such areas as simulators and training methods. Such a plan is next to impossible without central direction from the Army Staff. Balance between what is accomplished in the training base and that which is done in units needs to be created in such a way that wartime transition can be accomplished rapidly. Too much individual training in units is obviously not desirable in that the unit is then in a poor posture to transition to its war time role. On the other hand the Army cannot afford not to develop imaginative ways to conduct more individual training outside the training base since the size of that base is clearly in jeopardy. For both peacetime economy and war/emergency effectiveness, the Army must be able to make training trade-offs between and among individual/unit, active/reserve, CONUS/overseas, equipment/devices, immediate/long term, all as they relate to the cost and capability to provide combat readiness.
- d. If military training is consolidated in ODCSOPS there would be a natural tie between individual and unit training. Training policy would be established by the same agency responsible for total Army readiness and for wartime requirements - and military training must be linked to these two functions. The agency which should pull together military training if it is to have a wartime focus, is clearly ODCSOPS.

RECOMMENDATION:

Consolidate individual and collective training and charge the DCSOPS with responsibility for military training management. (See chapter VIII for details of training recommendation.)

3. FINDING:

There is need on the DA Staff for comprehensive resource contingency planning and resource review with a war/emergency focus.

DISCUSSION:

- a. Given the current environment of constrained resources, the Army cannot afford to use these resources for programs which do not, in some way, improve our posture for war. Examples of such programs can be found among the management information systems which have proliferated throughout the Army. Recent sessions conducted by DAA in "Go To War" MIS task

development highlight this fact. The Resource Management Review function, (Chapter VII), is believed the key to improving our ability to perform resource contingency planning and review programs and budgets with war posture constantly in mind. Army priorities, goals, affordability, and their tie to war readiness must all be considered when reviewing resource proposals.

- b. One Army Staff agency with responsibility for Programing, Budgeting and Resource Management Review could provide the continuity and breadth of focus needed to ensure that resource management planning and review (plans to execution) is accomplished with a war readiness orientation. Anticipation of resource limitations and constraints is a clear example of the kind of planning that is needed. Examples of such resource constraints might be restrictions on who could be called to active duty and priorities for limited rail transportation. Ten years from now the Defense Department could be in competition with the Department of Energy for manpower (coal miners exempt from draft) and allocations for rail cars. Limitations on specific materiel resources were a very real constraint in the early stages of WWII as evidenced from the following excerpt from historical records:

"The rearmament program of 1940 hardly was under way before strains began to appear in the American economy, ill prepared as it was for the support of war. Where only a few years before the market had been glutted with products of all kinds, now serious shortages quickly began to develop in cotton, flannel and linen cloth; cotton duck and webbing; aluminum and various alloy steels. With additional military orders, other shortages at all levels of production appeared. Most serious of all was the shortage of machine tools, the root cause of many of the other shortages along the line... Hesitantly at first, the government went through essentially the same (mobilization) steps, repeating most of the same errors, and with about the same results as had been the case in the industrial mobilization for WWI." 4

Has the Army clearly identified those resources that may create similar constraints in the future?

4. Huston, James A., Army Historical Series - The Sinews of War: Army Logistics - 1775-1953. Washington, D.C.: US Gov't Printing Office, 1966, p. 457.

RECOMMENDATION:

Organize a single DA Staff agency with responsibility for Programing, Budgeting and Resource Management Review (C&POA). (See chapter VII.)

4. FINDING:

The current "committee system" for decision making would not be sufficiently responsive in time of war or emergency.

DISCUSSION:

- a. In recent years the Army has come to rely on an extensive system of committees for formulating solutions to difficult problems and for making decisions. The level of complexity associated with many of today's issues may very well necessitate the use of committees - but there is a danger associated with such a system. In time of war, reaction time is critical but lengthy committee meetings could cut into this time and keep top level managers from urgent duties. The likelihood of committee use decreasing in time of war may be directly related to the level of dependence on this type of decision making system in peace time. If the Army Staff becomes accustomed to more and more use of committees, will wartime reaction be affected? Is the current committee system a good management training environment for future decision makers (the MAJ's and LTC's on the Army Staff)? Complex issues requiring some sort of committee work will always be around so future decision-makers must know how to use committees effectively. But they must also be trained to rely on functional managers and to recognize when decisions on issues can be (and probably must be) made without the use of committees. To improve responsiveness in decision making on the Army Staff, functional managers must have greater responsibility and the DAS must assume an increased role in the decision making process. These changes would help to create the streamlined decision making environment needed in time of war.
- b. The fixing of clear functional responsibility and holding functional managers responsible for their actions are important ingredients for responsive decision making. Yet this clear responsibility does not exist in many functional areas notably manpower, training and Base Operations. All of these could easily become the focus of critical resource management problems in the event of war or emergency.

- c. The role of the DAS in a war/emergency situation becomes critical because of the need to pull together numerous functional requirements. It should be the DAS who decides how a decision will be made on an issue - specifically whether committee work is needed or whether it can be made without one. In chapter XIV this decision making procedure was explained - the intent here is to emphasize how important it would be in a fast moving crisis environment. In a war or emergency there is little time available, certainly not enough to conduct lengthy meetings which tie up key functional managers.

RECOMMENDATION:

Reduce the use of committees, clearly define the role of the DAS in decision making and fix responsibility for Manpower, Training, BASOPS and Resource Management Review (RMR). (See chapter XIV).

5. FINDING:

The lack of a clear policy for Army-wide resource management results in inefficiency and waste that would lead to serious difficulties in a war/emergency situation.

DISCUSSION:

- a. There are numerous examples of waste and inefficiency in the use of resources throughout the Army. Most stem from the fact that managers often do not fully appreciate the constraints under which the Army must operate or that the supply of some resources could simply run out. The time to develop an appreciation for efficiency in the use of resources is before - not during - a war or emergency. Two cases in point follow.
- b. Recent investigations surrounding property accountability throughout the Army produced widespread evidence that many units were not adequately controlling supplies and equipment - and to a unit these are the "resources" which are most important. Replacement of identified losses required the use of funds which otherwise would have been available for other purposes. The message here is two fold. Not only is a unit with shortages unable to respond rapidly in time of war but that same unit causes a drain on resources that would be needed to add combat capability to other units. The resource management policy outlined in chapter X describes the need to strengthen resource management for all resources - including supplies and equipment in active and reserve units.

- c. During a briefing on current training techniques a briefing officer mentioned proudly that his tank driver training course was so tough that several torsion bars had been broken - the torsion bar loss was apparently an indicator of the excellence of the training. Where was the concern regarding replacement of this essential repair part - concern for resources? It makes no sense to condone the destruction of equipment in an environment of scarce resources. There are other examples which could be used to make the point that concern for resources is everyone's responsibility and that this awareness is clearly related to war/emergency readiness. The RM policy is the first step in creating this awareness.
- d. The Army Resource Management Advisory and Assessment Program described in chapter XI, could be used to ensure Army Policies regarding resource management were being followed. An example of ARMAAP use would be a world-wide assessment of what difficulties a fuel shortage would create. Such an assessment would provide the information which the resource management reviewer could use to ensure that contingency planning in that particular resource area (fuel is clearly needed in war) occurred.

RECOMMENDATION:

Task the comptroller to develop an Army-wide RM Policy. (Chapter X is a strawman of this policy.)

6. FINDING:

Management Information Systems for supporting many functions on the DA Staff (personnel, supply, etc.) are not designed for use during war time.

DISCUSSION:

- a. Recent sessions initiated by DAA on "Go To War" Management Information Systems (MIS) task development resulted in the identification of systems that had little or no use in war. The sessions also identified short falls in management information that would be essential in war time. Examples are SAILS (identified as a system which was acceptable for supporting a peace time corps but incapable of supporting the larger war time corps) and the lack of Reserve Component ADPE needed to process SIDPERS upon mobilization. There are other examples which can be used to emphasize the point that before a management system is adopted, its adaptability to wartime should be clearly stated. Others can be used to emphasize the requirement to identify now the systems that are needed to transition to a

wartime posture. SIDPERS resulted in the elimination of the old "morning report". Question - What happens if SIDPERS becomes bogged down as a result of tremendous increases in personnel data upon mobilization? In this specific case, action is being taken to identify the wartime data needed to preclude such a crisis. How many systems require such fixing?

- b. The recent decision to link communications and automation (ACSAC decision) is a step towards improving the ability of the Army Staff to transition to a wartime posture. With this organizational improvement and the procedural improvements resulting from RMR and the RM policy, wartime needs in the management information area should be easier to identify.

RECOMMENDATION:

Develop an RMR capability and an RM Policy which ensure the wartime focus of programs including Management Information System proposals.

Summary of Major Recommendations and Their Impact on War Readiness

The following table provides a concise summary of those RMSG recommendations which will improve the ability of the Army Staff to transition to a war/emergency posture:

Agency Head	Changes Resulting from Key RMSG Recommendations	Impact on Ability to Transition to War Emergency Posture
DCSPER	Becomes the Manpower Manager	Staff agency responsible for personnel mobilization planning is also responsible for Manpower and is in a much improved posture to identify manpower needs and to keep track of what is available.
DCSOPS	Become the Training Manager on the Army Staff	Staff agency responsible for total Army readiness and wartime requirements also responsible for the one peacetime mission that is most clearly related to war readiness.
DCSLOG	Becomes responsible for Base Operations	Staff agency responsible for total Army logistics is in better posture to conduct mobilization planning in a critical area - expansion capability on Army installations.
COA	Becomes the Army's Resource Management Reviewer and Programmer	The one Army Staff agency responsible for Programing, Budgeting and RMR is in a much improved posture to ensure a wartime focus of all resource decisions.
TIG	Becomes responsible for field operation of an Army-wide resource management advice and assessment program (ARMAAP)	World-wide network of the IG will be tapped to provide on-site evaluation of war readiness in RM matters.

XVI. Associated Actions and Issues

INTRODUCTION

1. Chapters V through XV to this report address existing problems with respect to specific functional areas and provide recommended solutions. The study group fully recognized that there are other areas which affect those findings, not the least of which is the required interface between the DA Staff, field commands and the Army Secretariat, OSD, OMB, and the Congress.

2. This chapter addresses key issues identified during the course of the study which impact on many of the recommendations outlined within this report. Although many are dealt with simply through observations, and in some case must be the subject of further study by functional Staff managers, nevertheless, they represent areas that will affect successful implementation of study recommendations.

Section A. Automated Data Processing Support

BACKGROUND

Recent efforts to enhance the flow of information from diverse automated systems and data bases to support Army resource decisionmakers, particularly in the area of manpower management, by the PROBE Steering Committee and by General Research Corporation studies, have resulted in varying degrees of success. While the Force Development Integrated Management Systems (FORDIMS), which integrates four current manpower related systems, is now well underway, the multiplicity of systems and data bases required for an Army PPBS data base cause the PROBE effort to lag behind.

OBSERVATIONS

1. ADP systems which currently support manpower management are managed by Staff agencies which are forced into a minutiae level operator role versus that of an Army policy-maker. Incorporation of all manpower related information systems in a single Staff Support Agency (SSA), charged to support the manpower manager as well as other agencies, would remove much of the complex detail from the Staff and contribute to a broad management focus by the manpower manager.

2. There is an immediate need to improve the manpower reporting system. Data is reported in manpower utilization reports to DCSOPS, numerous personnel reports to DCSPER and MILPERCEN, updates to the COA managed Civilian Budgeting System (CBS), and as part of periodic USAFAC reports, to include JUMPS. There is possible duplication between many of

those separately managed systems/report mechanisms. A first step in improving the data flow to assist management should include determination of what report data is required and in what form it is currently available. Crosswalk between reports appears necessary, not an expansion of required reports.

3. Transfer of manpower management responsibility to DCSPER, with DCSOPS retention of force structure management and COA management of CBS, requires continued close coordination between those agencies as a result of the close interface between FORDIMS sub-systems which support agency management responsibilities, particularly during allocation and documentation. Changes reflected in those sub-systems to force levels, manpower levels, or manpower related funding affect one another, during each phase of the PPBS process, forcing a close inter-agency link.

4. Initial FORDIMS implementation plans do not incorporate Army-wide civilian and military manpower utilization data within what is purported to be an integrated management system.

5. PROBE Interface Study recommendations that an Army PPBS data base be developed and a data base administrator be designated are critical to the conduct of effective, integrated DA Staff resource management.

DISCUSSION

1. Integration of manpower utilization data within FORDIMS subsystems is required if manpower decisions are to be made on a basis of requirements. The existing implementation plan does not provide an immediate capability for consideration of force and space impacts prior to decisionmaking. Actual manpower utilization data should be introduced within FORDIMS subsystems as rapidly as practicable. Failure to do so continues manpower management largely on a basis of spaces available for allocation.

2. The PROBE Interface Study found that data base redundancy and systems proliferation have adversely impacted upon resource management in the PPBS. An integrated PPBS resource data base would be supportive of reducing data redundancies and provide a start point for development of procedural innovations leading to automated multi-resource audit trails. Initial steps are underway to develop an integrated data base. However, with the exception of FORDIMS subsystems, now being driven to completion by ODCSOPS, little coordinated Staff emphasis toward integration of systems under PROBE is evident. Director of Army Automation should take the lead in development of the integrated PPBS resource data base.

3. Manpower accounting and documentation activities, although important tools of the manpower manager, do not require colocation within the manpower function. Management of manpower related FORDIMS systems by a Staff Support Agency (SSA) reporting to the Director of Manpower in

ODCSPER which would provide resource data to key resource managers, linked by cathode ray tube (CRT) hardware as part of an overall PROBE system, appears worthy of continued study for integration within the total manpower management function. While primary users of the systems may be command and program analysts within many Staff agencies, development and operation of these critical data bases are logical functions of a manpower SSA.

4. Although many single-purpose data systems result in reports from field commands, the usefulness of reported data for the management requirements of more than a single function is often suspect. An example is the manpower utilization report, CSGPO 78, managed by ODCSOPS, which though useful in determining actual manpower space/dollar utilization at Army Management Structure (AMSCO) level of detail for comparison with allocation, and to develop civilian cost data for the budget, is not formatted to support the quarterly Manpower Status Report to Congress. ODCSPER managed civilian personnel utilization reports (which also do not reflect the required categories) must be used with the CSGPO 78 to provide the data for manual preparation of the quarterly report. A critical look towards improving the data requested from field commands to reduce the proliferation of many single purpose reports appears necessary in all functional areas.

5. Force structure and manpower related automated systems, now integrated in a single ODCSOPS directorate as key tools of the "structure/space" management process, must be given special emphasis during implementation actions transferring manpower management responsibility to ODCSPER. Transfer of FORDIMS sub-system responsibility to ODCSPER must ensure retention of close links with force structure management (FAS and TAADS) in ODCSOPS and civilian budgeting (CBS) responsibilities of OCA.

Section B. Quality of Directives and Regulations

PROBLEM

Army Regulations, Chief of Staff Regulations and DA policy documents lack definitive terminology that ensures a clear understanding of policies, procedures and responsibilities and do not assign specific staff responsibility to a single agency.

DISCUSSION

1. The study group in its early deliberations determined that an editorial review process was necessary at HQDA to ensure that DA publications would be written in clear language, easily readable and understandable, and do not assign similar responsibilities to different Staff agencies. During the course of the study CSM 77-310-64 was published which charged the Adjutant General with establishing a mandatory editing source. However, while this will provide for improvements in readability, the CSM does not provide for a check of substance and a mechanism to ensure that complementary regulations and policy documents do not have conflicting statements of policy and responsibility.

2. The lack of appropriate uniform terminology is a factor common to all functional areas of responsibility. Directives, regulations and other documents address Missions, Tasks, Projects, Functions, Objectives, Management Programs, and Resources in imprecise language. A reader frequently is left in doubt as to the authors exact interpretation and scope of terms in use. Documents at times include a clue by parenthetical or other expression. The term "resources" is an example in point. AR 310-25, Dictionary of United States Army Terms, and the Joint Chiefs of Staff Publication 1, Dictionary of Military and Associated Terms, do not provide a definition for the term "resources". The general term "resources" is used frequently, as a subject, when only a single or at best two specific resources are under discussion. The extent of coverage included in the term can be deduced only by a careful analysis of a document's contents. The following are examples of the intended definition of resources in key documents:

- (1) DOD Dir. 7000.1 - men, materiel, services, money.
- (2) CSR 11-9 - funds, manpower space, equipment.
- (3) DA Pam 37-5 - men, money, materiel.
- (4) Training Cir. 21-5-1 - human, physical, financial and time.
- (5) CSM 77-5-36 - manpower and dollars.

(6) CSR 11-1 - defines resource balance as "overall balance between personnel and equipment assets."

(7) AR 5-1 - including time.

3. Some examples of inadequacies of directives and regulations reviewed by the study group include:

a. CSR 11-1 and AR 10-5 designates DCSPER as being responsible for plans, policies and programs for manpower management and authorizations. However AR 570-4 and CSR 10-5 designates DCSOPS as being responsible for plans, coordination, formulation, supervision and execution of manpower management policies and procedures, and manpower authorizations. A further complication is introduced by CSR 11-3 that states Director of Operation and Maintenance Army (OCA) will distribute civilian manpower by category spaces.

b. CSR 11-3, CSR 11-8, AR 10-5 and AR 570-4 are indistinct in areas distributing civilian manpower, maintaining manpower files, and coordinating the distribution of civilian manpower with Appropriation Directors and Program Directors. Staffing compromises which result in generalization in regulations and policy documents, subject to varying interpretations, cause ineffective documents which must be altered in practice for the management process to function. While the DCSOPS is clearly tasked with allocation of civilian ES and manyears, in practice this cannot occur without manyear coordination/approval of the OMA appropriation director, who must ensure allocation of adequate supporting personnel related funding.

c. Responsibility for key functions is not clearly outlined in either AR 10-5 or CSR 10-5. An example is responsibility for development of Program and Budget Guidance to field commands/agencies. While the Comptroller is charged with compiling and disseminating this guidance, OCSA (PA&E) is charged with program development activities. No clear responsibility is assigned to a single agency for development of integrated resource guidance.

d. AR 570-4 states that "Contracts for personal services are prohibited by law" and then states that "Detailed regulations and procedures for obtaining personal services by contract are set forth in applicable procurement regulations and AR 235-5". AR 235-5 does not address procurement of personal services.

e. AR 10-20 refers to Director of Civilian Personnel but does not provide a staff location - AR 10-5 and CSR 10-21 locate the Director of Personnel in DCSPER and states that he performs under supervision of CSA and reports to DCSPER.

f. AR 235-5 provides separate definitions for the terms "function" and "activity". However in the text of the AR the terms "function" and "activity" are used interchangeably. While this inconsistent usage of terms is not particularly significant in the subject regulation, it is an example of poor terminology easily correctable by an edit element.

g. Review of previous manpower studies performed by the Manpower Management Study Group, established under provisions of CSM 76-5-21, and General Research Corporation's, Force Structure and Manpower Management Study (Contract MDA 903-76-C-0115) indicates that the both studies encountered the same or similar deficiencies.

OBSERVATIONS

1. A restructure of AR 10-5, and similar organizationally related regulations and directives, by function as well as by organization would assist users in fixing responsibility and coordination requirements.

2. Showing key coordination lines, on organizational charts to the extent possible, together with prescribing clearly the additional authority and responsibility involved is desirable.

3. A revision of the Army Dictionary AR 310-25 would assist in providing standard terminology if it included the following definitions:

Asset - an item of value, to include time, in possession of, available to, or performed by contractual service, for an agency in support of its mission.

Resources - all manageable assets, including time.

Mission - a statement of the main and essential duties/requirements specifically assigned in an official capacity.

Function -

1. An essential and distinct element of a mission.

2. A basic type of operation commonly required to perform or support major tasks and projects of a mission such as, supply, training, research and development, logistics and maintenance.

3. A clearly defined type of operation assigned to an operating unit to provide a product or service in support of a program or mission. It encompasses related subfunctions which because of administrative, fiscal, managerial, or operational characteristics, can be identified and performed separately.

Task - duty/requirement imposed, by appropriate authority, usually functional, more definitive in character than the broad phraseology of a mission statement.

Project - a definite planned undertaking in support of a task, very definitive in character, calling for constructive action.

4. Approval authorities must ensure that Army Regulations, Chief of Staff Regulations, and proponent generated policy documents contain definitive terminology and clear statements of authority, responsibility and procedures intended.

Section C. Other Service Resource Management Organizations

GENERAL

1. Early on, the Study group recognized the importance of understanding the resource management processes of each of the other Services. Discussions were held with Navy and Air Force key resource managers in order to grasp their management concepts and Staff interrelationships. Additionally, the findings and recommendations of recent Staff reorganization studies were examined in detail from the standpoint that similar problems and solutions might also apply to the Army Staff.

2. The resource management organization of each of the other Services is dissimilar from each other and both current and proposed DA Staff organizations. This difference begins at Secretariat level and continues through to the functions assigned Deputy Chiefs of Staff. Noteworthy however, are recent studies by both the Navy and Air Force which recognize the inefficiencies caused by organizational fragmentation of manpower functions and its split from personnel management. The following topic areas discuss the key organizational differences between the Army and other Services with respect to resource management.

AIR FORCE

1. As part of the Headquarters, Air Force (HQAF) reduction planning exercise the Air Force Chief of Staff directed that the placement of the manpower function be examined. Prior to that time the manpower function was performed by the Manpower and Organization Directorate (DMO) of the DCS Programs and Resources. Manpower management is accomplished by the Air Force Management Engineering Agency (AFMEA) which reports directly to the DMO as shown on chart XVI-C-1. AFMEA which has responsibility for authorizations (spaces) works closely with Air Force Military Personnel Center which is under the OPCON of the AF DCSPER and is responsible for personnel (faces).

2. The Air Force reorganization had two major impacts. First, the Director Manpower and Organization was organizationally placed within the AF DCS Personnel and the DCS Personnel was redesignated DCS Manpower and Personnel. Secondly, the Management Engineering Agency and the Military Personnel Center were combined as the Manpower and Personnel Center which reports directly to the DCS Manpower and Personnel. This organizational relationship is graphically depicted on chart XVI-C-2. The primary features and benefits of the Air Force organization for manpower management are shown at chart XVI-C-3.

USAF MANPOWER ORGANIZATION (BEFORE REORGANIZATION)

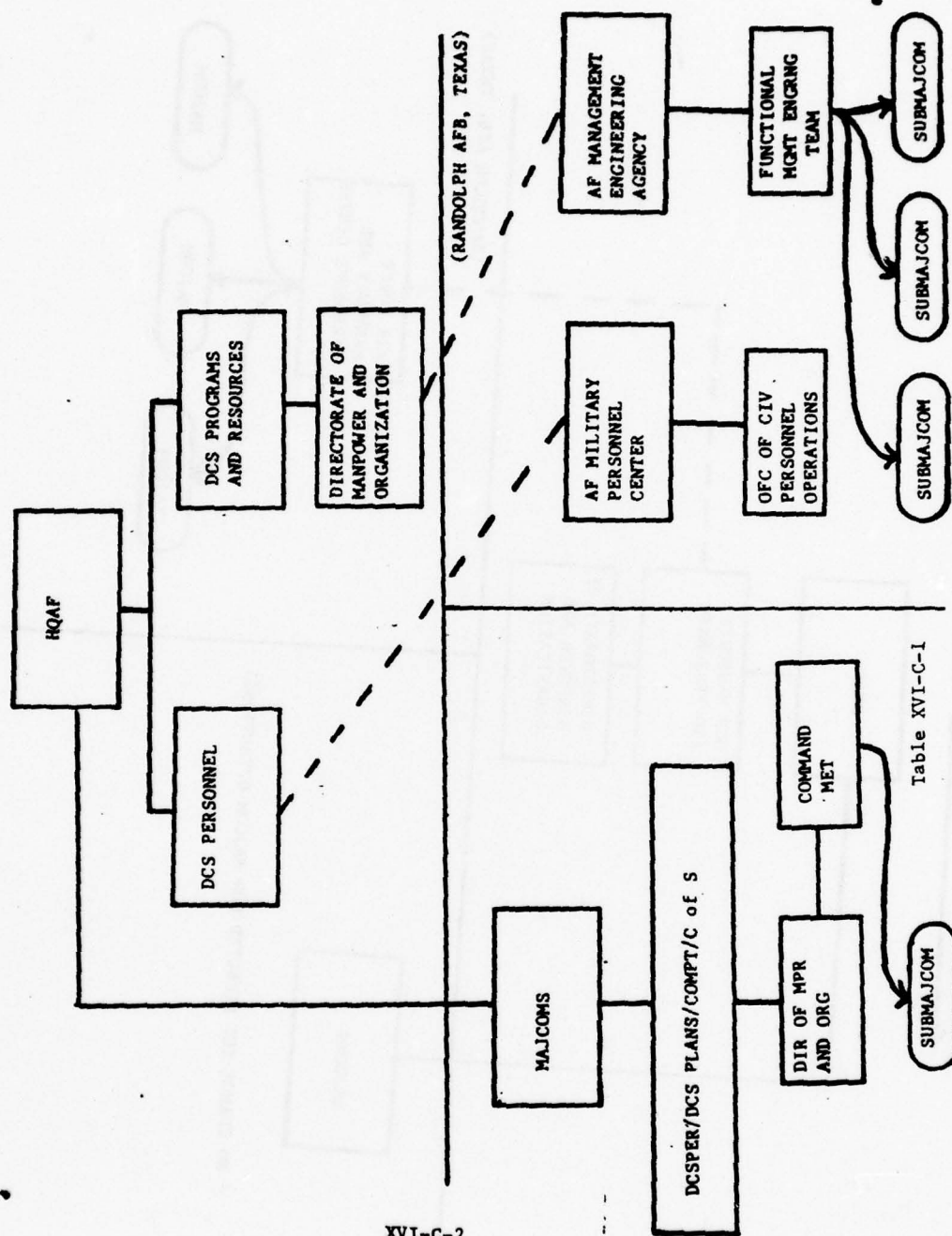


Table XVI-C-1

USAF MANPOWER ORGANIZATION (AFTER REORGANIZATION)

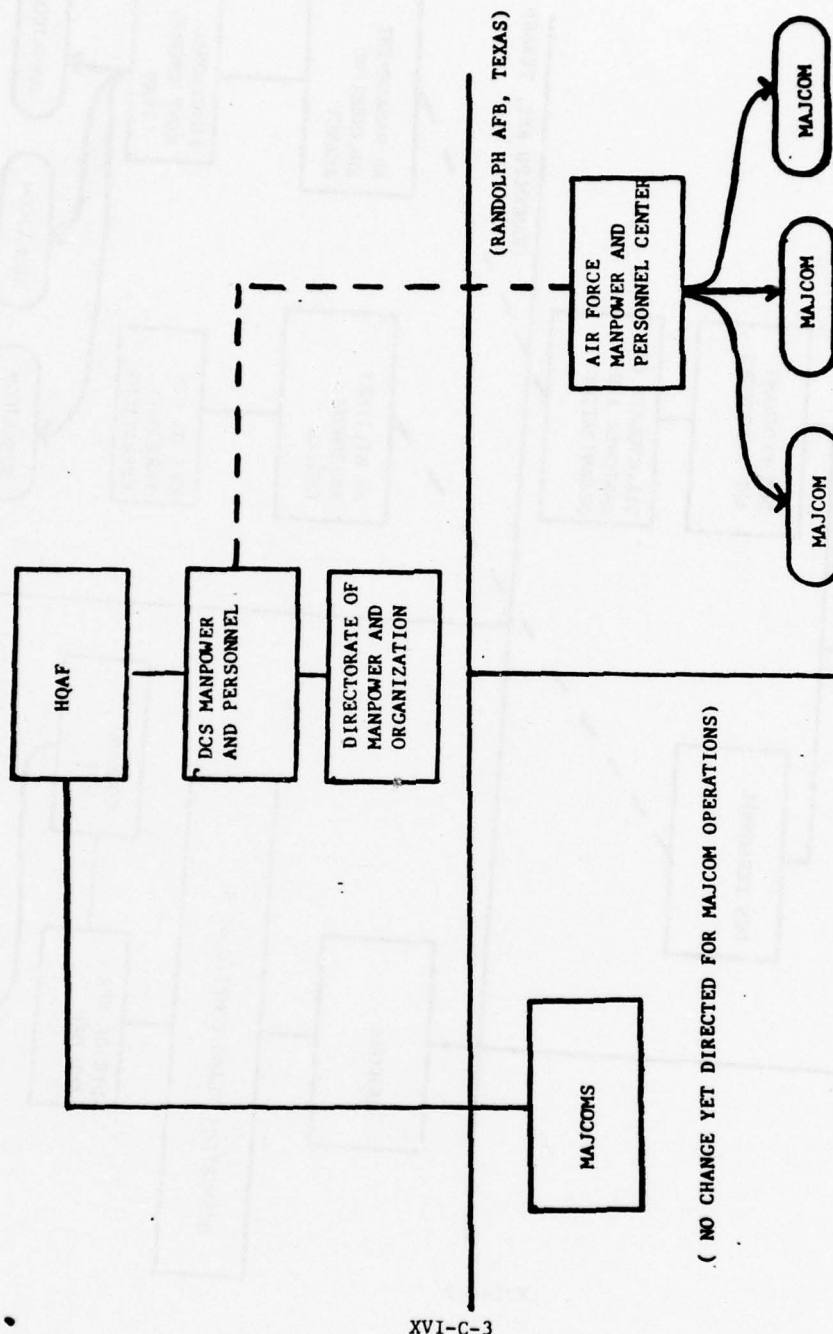


Table XVI-C-2

PRINCIPAL FEATURES OF AF MANPOWER MANAGEMENT

1. Organization.
 - Combines both centralized and decentralized management.
 - Management Engineering teams are oriented both functionally and by command.
 - Program focus provided by HQAF Dir, Manpower and Organization.
2. Role of Management Engineering Team (Both functional and command).
 - Establish manpower standards and guides (both quantitative and qualitative aspects).
 - Applies manpower utilization policy.
 - Forecast future manpower requirements.
 - Performs management advisory services.
 - Develops productivity measures.
3. Distribution of manpower resources.
 - Spaces are allocated to MAJCOM by HQAF with skill and grade identified.
 - Spaces are suballocated by MAJCOM based on MET.
 - Local commanders do not determine or allocate manpower.
4. MET Personnel.
 - Utilizes both military and civilian personnel.
 - Manpower management a distinct military career field.
 - Separate officer specialty covering WO thru O-6.
 - Separate enlisted specialty covering E-4 thru E-9.

Table XVI-C-3

NAVY

1. The Department of the Navy has combined the Secretariat management responsibilities for manpower, reserve affairs and logistics, similar to that of OSD, within a single Assistant Secretary.

2. The Comptroller of the Navy is directly subordinate to the Assistant Secretary of the Navy (Financial Management). However, the Director of the Navy Budget, within the Office of the Comptroller, is double-hatted as the Director of Fiscal Management Division within a Navy Program Planning Directorate (OP-090), at CNO level. This organization for financial management allows concurrent fiscal management, analysis and review at both CNO and Assistant Secretary levels.

3. A Study Group chaired by Vice Admiral (Ret.) Salzer reported in November 1976 that changes to management processes and organizations on the Navy Staff were required to effectively integrate management of all categories of manpower (active military, reserve, civilian, contractor) with personnel and training requirements functions. The Study affirmed 1976 Congressional criticisms regarding the organizational fragmentation of the Navy's manpower management processes. The recommended alternative assigns responsibility for management of the Manpower, Personnel and Training (MPT) functions to a single Deputy Chief of Naval Operations. Booz, Allen & Hamilton Inc. validated the Salzer Study, developing a methodology and functional depictions of a management perspective for the MPT mission and functions. Primary features of the old and new manpower processes are summarized at Tables XVI-C-4 and XVI-C-5. Recommendations are being implemented on a time-phased basis.

4. Within the area of manpower standards the Navy has clearly identified that they lag behind the Air Force in development and implementation of effective measurement tools. As part of the ongoing Navy reorganization there are significant efforts being made to focus on manpower and skill requirements in development of an effective, integrated manpower management process. One key action is development of two CONUS headquarters similar to the USAF Management Engineering Agency, for establishment and centralized control of manpower standards and productivity measures.

MARINE CORPS

While HQ, Marine Corps integrates management of manpower and personnel within the office of a single Deputy Chief of Staff, the close resource management links with the Navy Staff precluded effective use of the Marine Corps as a parallel organization for purposes of this study.

PRIMARY FEATURES OF NAVY MANPOWER PROCESS - OLD

1. Fragmentation of Manpower Management responsibilities.
 - Organizational split of PPBS cycle responsibilities.
 - Dir, Navy Program Planning responsible for planning, budgeting of civilian manpower.
 - DCNO (manpower) allocates, executes manpower program.
 - Chief of Naval Material develops new hardware requirements.
 - No centralized "total force" management.
 - No central management of manpower standards.
2. Organizational separation of manpower and personnel management - although DCNO (manpower) dual hatted as Chief of Naval Personnel.
3. Office of Civilian Personnel at Secretariat level.
4. Beginning development of effective manpower standards.

Table XVI-C-4

PRIMARY FEATURES OF NAVY MANPOWER PROCESS - NEW

1. Focus on manpower and skill requirements.
 - Consolidation of equivalent TOE/TDA qualitative/quantitative standards based on work measurement techniques.
 - Accelerated manpower standards development.
 - Use of former AF "experts".
 - Two CONUS HQ's - similar to AF Management Engineering Agency.
2. Consolidation of manpower, personnel planning and training management responsibilities in a single agency - DCNO (M, P, T).
3. Chief of Naval Personnel and Office of Civilian Personnel report to CNO through DCNO (M, P, T).
4. Implementation planned June 78 - 80.

XVI-C-7

Table XVI-C-5

Section D. MACOM Resource Management Organizations

BACKGROUND

1. Army command resource management organizations are not standardized. In two cases, TRADOC and USAREUR, the concept of a Deputy Chief of Staff, Resource Management with principal staff responsibility for fiscal, program, budget, manpower, and cost analysis management was implemented in 1974 and 1976 respectively. Major advantages of this type organization are that a single agency is responsible to manage civilian manpower allocations and funds associated, as well as function as the coordinator of current, budget, and outyear functional program resource requirements. Other major commands are organized to best meet the management requirements of the DA Staff and their internal organization.

2. The most recent organizational change is that of Materiel Development & Readiness Command (DARCOM). This major command has recently established the office of Deputy Commander for Resource Management. Efforts are now underway to amalgamate the resource management functions of this multi-functional, multi-appropriation impacted organization as the responsibility of a single staff agency.

OBSERVATIONS

1. Each of the study group recommendations will assist field command interface with the DA Staff, irrespective of their internal organization. Proposed changes in DA Staff functional alignment will provide a single functional agency point of contact with concurrent resource management responsibilities. Examples are the training function with the DCSOPS as the training manager, and the manpower function, a recommended responsibility of the DCSPER. Both of these functions are now organizationally split, requiring a field command to coordinate a segment with more than one Staff agency. Another example of resource management improved interface, based on functional alignment, is the transfer of directorship of Base Operations from COA to the DCSLOG and COE as Administrative Program Directors. Both examples closely tie responsibility for managing resources with the prime functional authority of the Staff agencies.

2. Although the RMSG recognized that realignment of DA functions within the Staff may ultimately result in changes to field command organizations over time, no attempt has been made to concurrently recommend changes in the existing organizations of major commands. Other efforts, such as an ongoing OCSA study of Installation Management, may also contribute to changes within field organizations. While field command reorganizations may be necessary to develop more effective resource management, the findings and recommendations of this study should assist the development of improved organizations, not dictate a mirror image of HQDA.

Section E. OSA/OSD Interface

BACKGROUND

1. The Study Group recognized the need to ensure that recommendations provide an effective interface between the Army Staff, the Army Secretariat and the Office, Secretary of Defense.
2. Key resource managers at Secretariat and OSD level were continually kept abreast of the analysis process, findings, and developing study group recommendations. An early February 1978 working conference was held, attended by staff members of both organizational levels and ongoing Presidential and OSD studies, at which the major issues and recommendations identified by the RMSG were discussed in detail from the perspective of interface problems which could result. No problems from either an organizational or a functional approach were noted.
3. Ongoing OSD Resource Management studies were monitored and a meeting was held with LTG (Ret) Kalergis to gain breadth as to their scope and status. While these studies may ultimately impact on the Staff, the timing is such that to wait for their recommendations would cause a 6-12 month delay in "fixing" existing Army problems.
4. Prior to CSA decisions the Under Secretary and key representatives of the Assistant Secretaries were briefed on the study proposals and resulting SELCOM recommendations. The Secretary of the Army was briefed on 26 May 1978 by the DAS on the CSA decisions relative to this study.

OBSERVATIONS

1. Proposed recommendations, while requiring shifts in Army Staff coordination with Secretariat and OSD level managers, will not degrade effective interface or the Army's ability to communicate and justify resource requirements to OSD and the Congress.
2. The results of the ongoing OSD Departmental Headquarters Study may affect the proposed organization and functions of the Comptroller of the Army. Should the Comptroller functions be merged with those of the Army Secretariat, responsibilities for Programing and Resource Management Review should be retained at Army Staff level. Two alternatives are outlined at the Discussion.
3. Similarly, OSD changes to Base Operations may impact on the Base Operations management process. However, the recommended expansion of functional management in this area should assist in addressing total support costs.

DISCUSSION

1. Shifts in Staff coordination with the Army Secretariat and OSD Staff (displayed at Table XVI-E-1) resultant from RMSG recommendations should strengthen the interface in functional areas. For example DCSPER as the manpower manager would interface directly with ASA (M&RA) and ASD (M,RA&L) on all manpower issues (space and face related). Likewise, the Comptroller and Programmer of the Army would interface closely with the ASA (IL&FM), ASD (Comptroller) and ASD (PA&E) for program, budget and fiscal management issues. In both cases the lines of communications for management of interrelated functions exit the DA Staff from a single agency. This represents an improvement to current Staff interface.

2. The OSD Departmental Headquarters study, chaired by Mr. Ignatius, which is looking at the role of the OSD Staff vice those of the Services, may impact on the recommendations to expand the role of the Comptroller (COA) to include responsibilities for Programing and Resource Management Review. Should the functions and office of the COA be merged with the ASA (IL&FM), the RMSG recognized that both Programing and Resource Management Review functions should be retained at Army Staff level to preclude Army Secretariat responsibility for operational functional management. Two alternative DA Staff organizations, both of which reflect the amalgamation of Budget and Finance and Accounting responsibilities with the ASA (IL&FM), are proposed should this contingency be required. However, neither reflects the significant advantages of colocating management responsibility for the program, the budget and for total Resource Management Review within the recommended single Staff agency.

a. Alternative 1: (See Table XVI-E-2). Concurrent with transfer of existing COA responsibilities for fiscal management, budget, and finance and accounting functions to ASA (IL&FM), establish an Assistant Chief of Staff for Programs and Resource Management Review. The existing COA Cost Analysis function should remain at Staff level for inter-agency cost/economic analysis assistance and as an integral part of the Resource Management Review function (discussed in detail at Section C, Chapter VI). This is the preferred solution as the benefits of program and resource management are maximized within a coordinating Staff agency freeing the Director of the Army Staff from an operational function.

b. Alternative 2: See Table XVI-E-3). Concurrent with transfer of existing COA responsibilities for fiscal management, budget, and finance and accounting functions to ASA (IL&FM), assign responsibility for Cost Analysis and Resource Management Review to the existing Director of the Army Staff agency, Program Analysis and Evaluation Directorate (PA&E). While retaining key program management and resource review functions on the Army General Staff, this alternative forces the Director of the Army Staff into the role of the Army's resource manager.

CONCEPTUAL INTERFACE (OSD/DA)

(Key Coordination)

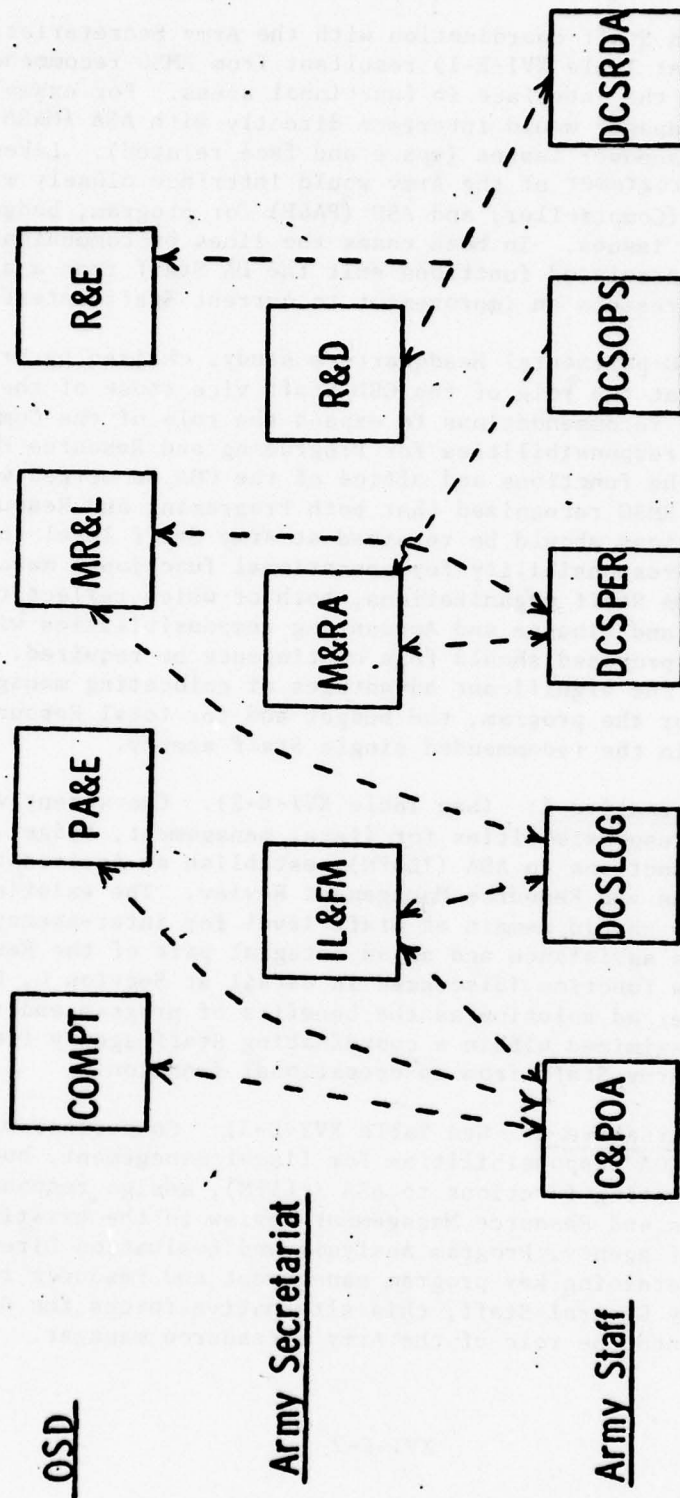
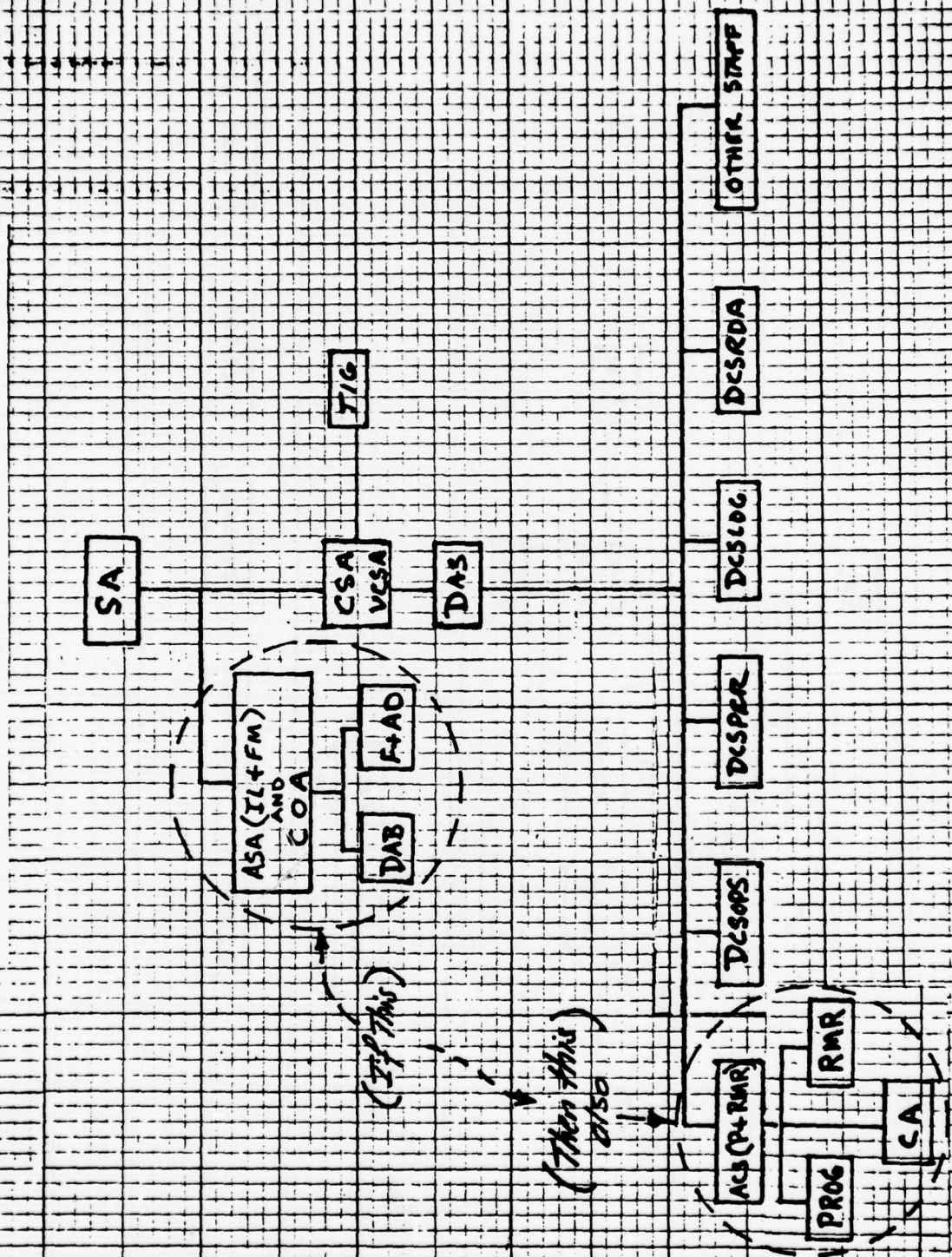


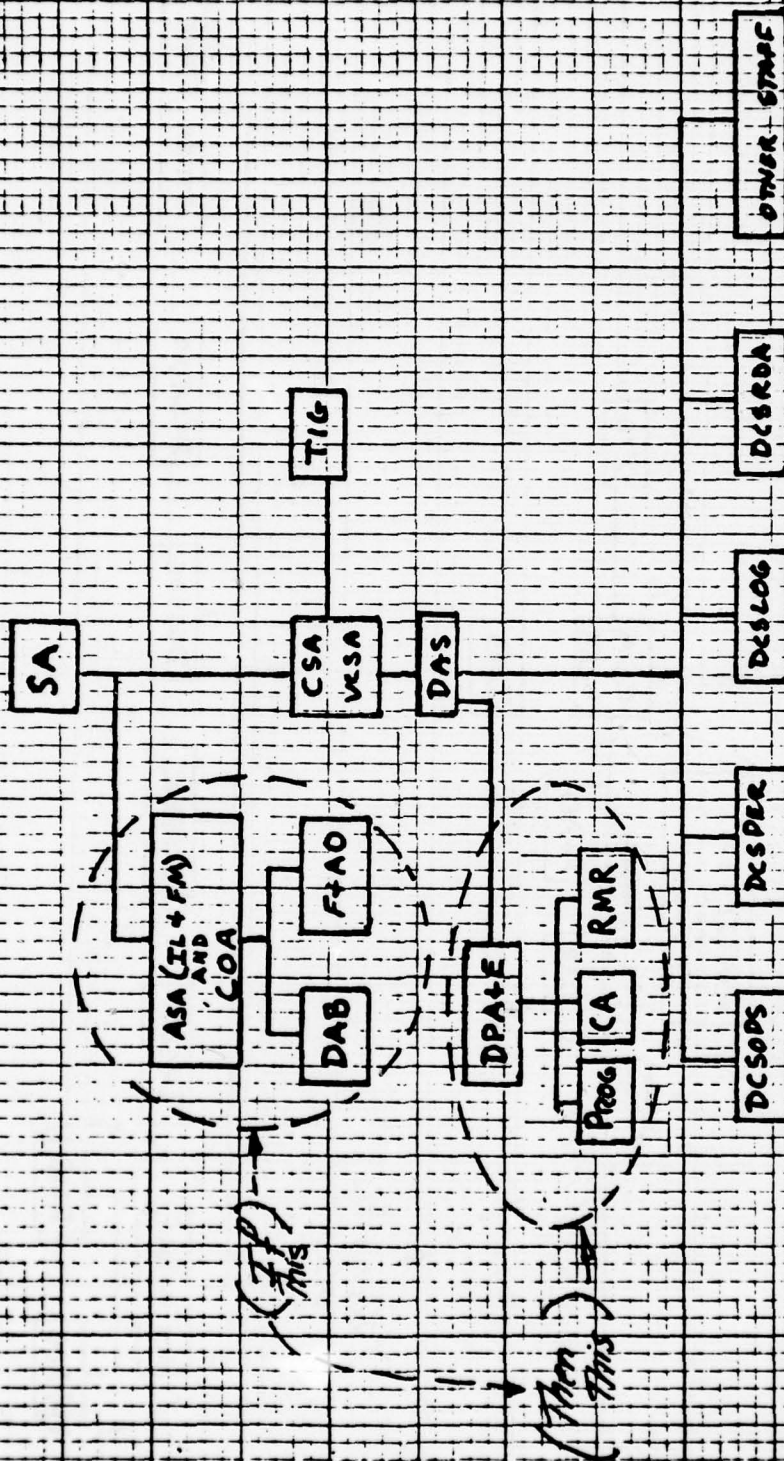
Table XVI-E-1

ALTERNATIVE 1 -- IF COA IS MERGED WITH ARMY SECRETARIAT

(PREFERRED SOLUTION)



ALTERNATIVE 2 -- IF COA IS MERGED WITH ARMY SECRETARIAT



XVI-E-5

Table XVI - E-3

Section F. Army Training Study

The Army Training Study (ARTS) is to determine the functional relationship between training resources and combat effectiveness and to determine the training programs required to optimize the capabilities of major new weapon systems programed for delivery to the force in the 1980's. Included in this mission are the following objectives:

a. Determine the functional relationships among resources for institutional and unit training, the individual and collective training programs of the Total Army training system, the resultant training readiness, and combat effectiveness.

b. Determine the optimum mix of individual training programs conducted in the training base and in the force.

The findings and recommendations of ARTS, which have not been completed at this time, may have limited impact upon the recommendations of the RMSG. However, the recommendations outlined at Chapter VIII to this report would result in significant improvements to the DA Staff training organization which is key to the implementation of ARTS recommendations.

Section G. Review of Education and Training for Officers (RETO)

1. A study group convened in September 1977 to analyze all training and education requirements for Army officers. The study is scheduled to be completed in the Spring - Summer 1978.

The scope of the analysis includes training and education requirements of officers with a variety of specialities and qualifications, define the essential components of those qualifications, and to develop a strategy to maximize the officer development through education and training within constrained resources.

2. The methodology consists of three phases:

a. First, learn everything possible about present Army officers specialties.

b. Second, study the officer career from pre-commission to retirement.

c. Third, compare the current system with (other countries/ services/industries and with what the training education system must become to meet the challenges of the future) an effective analysis of various hypothetical alternatives.

3. An 8 May 1978 DACS-DMC memorandum provided Army Staff agency heads a summary of the RETO Study Group recommendations presented to the Chief of Staff on 13 April 1978, and his desired actions. Study Group recommendations included actions in the following areas:

- a. Precommissioning.
- b. Accession assessment center.
- c. Military Qualification Standards.
- d. Expand basic course.
- e. Company grade education and training.
- f. MAJ's and LTC's education and training.
- g. Senior Service College.
- h. General Officer education and training.
- i. Aviation program.
- j. Foreign language training.

k. Management and executive development programs.

l. Commander management.

m. Promotion by specialty.

n. OPMS evaluation.

o. Warrant Officers.

p. Reserve Components.

4. The RMSG recommendations at Chapter VIII will impact on the RETO Study in terms of the training management organization which must implement training related changes approved or directed for further staff action by the Chief of Staff, particularly curriculum focus of Army resident courses. Continued coordination between both study groups, and the DCSOPS on implementation of RMSG training management proposals, is essential.

XVII. IMPLEMENTATION PLAN

BACKGROUND

1. Successful implementation of the recommended changes to Staff functional responsibilities must reflect the experiences of the Army Staff Reorganization of 1974. Some of the key problems noted during execution of that reorganization were:

a. Audit trailing manpower space transfers between agencies was a significant problem.

b. Ensuring accommodation of job descriptions after transfer was difficult.

c. Compromises between agencies resulted in split functional responsibilities not intended by the Study Group.

d. Space management coordination and remodeling requirements slowed physical moves.

2. As a result of the magnitude of the study and the physical moves required, "overnight" implementation of the 1974 Staff Reorganization was determined to be infeasible.

DISCUSSION

1. Chief of Staff Memorandum 78-5-18, 14 June 1978, Annex A to this chapter, outlines the concept of planning for the implementation of the decisions made on RMSG Recommendations. Specific CSA decisions on RMSG recommendations are at Incl 3 to Annex A.

2. The implementation plan, summarized in table XVII-1, for functional realignments and expanded staff agency roles necessitated by the CSA decisions is oriented on functional work group planning for execution on 1 October 1978.

IMPLEMENTATION PLAN

- o Announce decision in CSM
- o Early designation of functional heads (manpower, training)
- o Establish work groups for detail planning
 - oo Agency, RMSG, OE, SMD representative

- oo Receiving agency heads work group
- oo Plans include people, spaces, offices, equipment, ADP systems, etc.
- oo Regulation changes will be prepared
- o Development of "ground rules"
 - oo Personnel move with function and spaces
 - oo Physical moves kept to minimum
 - oo No renovation of offices during implementation
- o Affected personnel kept fully informed
- o Special procedure for evaluation suggestions/complaints
- o Inform MACOMS
- o DAS given full authority to direct reorganization to include :
 - oo Approval of detailed implementation plans
 - oo Manpower space determination final until on-site survey
 - oo Minor functional realignments if/as required
- o After action report/first year assessment by D/M

Table XVII-1

The following key points are integral to this plan:

- a. CSA decision formed the basis of implementation planning.
- b. Planning groups in each functional area affected by transfer of Staff responsibility were designated early to develop detailed procedures/processes.
- c. Director of Management, OCSA, was designated as the control element to provide central focus to staff agency implementation plans and activities.
- d. Implementation date execution of changes will optimize the management factors of:

- (1) PPBS cycle.
- (2) Adequate preparation time.
- (3) ADP systems.
- (4) Civilian end of pay period.
- (5) Time required for physical moves.

e. Personnel involved in organizational changes will be briefed on the expected impacts and advantages on each functional area.

3. The decision to implement changes on 1 October 1978 precludes neither early moves if feasible and desirable due to major action deadlines, nor changes which must be delayed beyond that point to accomplish effective FY 80 Budget formulation/defense to OSD. The details of the implementation process outlined in Table XVII-2 will be developed by the functional work groups and briefed to the DAS for decision by July 1978. The timing of functional transfers, to include recommended slippages beyond 1 October 1978, will be addressed by each work group. The approved detailed implementation plan will be announced by separate Chief of Staff Memorandum.

IMPLEMENTATION PROCESS

<u>JUNE</u>	<u>JULY</u>	<u>AUGUST</u>
<u>Wks</u> 1) 2) Functional Work Groups Formed 3) Detailed Work Group Planning 4) Detailed Work Group Planning	<u>Wks</u> 1) Detailed Work Group Planning 2) Work Group Plans to DM 3) Implementation Decision Briefing-DAS 4) Publication - Implementing CSM	<u>Wks</u> 1) Staff Information Briefings 2)

XVII-4

Table XVII-2

CHIEF OF STAFF

Memorandum

U. S. ARMY

DISTR A EXPIRES 30 June 1979

CSM 78-5-18

DATE 14 June 78

SUBJECT: Implementation of the Resource Management
Study Recommendations

FILE CS 310.1 (14 Jun 78)

ACTION OFFICER/EXT
LTC Borstorff/jrf/70485

MEMORANDUM FOR: HEADS OF ARMY STAFF AGENCIES

1. **PURPOSE.** This memorandum assigns responsibilities for implementing Resource Management Study recommendations approved by the Chief of Staff (CSA) (see inclosure 3).

2. **REFERENCES.**

a. CSM 77-5-36, dated 19 July 1977, subject: Study of Resource Management on the Army Staff.

b. CSM 77-5-39, dated 15 August 1977, subject: Study of Resource Management on the Army Staff.

c. CSM 77-5-59, dated 29 November 1977, subject: Study of Resource Management on the Army Staff.

3. **BACKGROUND.**

a. In accordance with the referenced CSMs, the Resource Management Study Group (RMSG) was organized to assess the feasibility of establishing an Army Staff agency for resource management.

b. The assigned study group missions are reflected in the referenced CSMs.

c. A draft study report was submitted to the Staff on 10 March 1978 for comments. The primary focus of the draft report was on eight major issues: Manpower Management, Army Programing, Resource Management and Role of COA, Training Resources and Responsibilities, Decision-making and Role of the DAS, Army-Wide Resource Management Policy, Career Management Impacts and Implementation.

d. The SELCOM was briefed on the study results and recommendations on 4 April, 18 April, and 4 May 1978. Certain sub-issues were dropped from further study consideration or deferred for later study by VCSA decision following the 4 April 1978 SELCOM deliberations (inclosures 1 and 2). The SELCOM deliberations resulted in DA Staff recommendations to the CSA.

e. CSA decisions relative to each of the remaining study issues are outlined at inclosure 3.

SUBJECT: Implementation of the Resource Management Study Recommendations

4. IMPLEMENTATION CONCEPT.

a. Each affected Staff agency will designate representatives to participate in detailed implementation planning work groups for functional transfers. Four functional work groups will be established to conduct detailed planning for transfer of agency management responsibilities in the areas of Manpower Management, Program 9 and BASOPS Account N; Training Management and Program 8T; BASOPS Troop Support Activities (Administrative Program 11) and AIF; BASOPS RPMA (Administrative Program 12) and BASOPS Account R.

b. The work group chairman will be at least a Colonel or GS-15. The degree of involvement of the work group members will be at the discretion of the chairman and be full time if required. Members must be knowledgeable in the agency activities and responsibilities for the specific functional area addressed. Work group chairman will work under the direction of the Director of Management.

c. Functional Work Group (FWG) composition should include, but not be necessarily limited to, representation from agencies shown below. Membership in any of the functional work groups may be requested by agencies not included in the following list but having Staff interest in portions of the functions to be studied.

(1) Manpower FWG:

(a) ODCSPER (Chairman)

(b) ODCSOPS

(c) OCA

(d) TAGO

(e) OCCH

(f) RMSG

(g) CPO

(2) Training FWG:

(a) ODCSOPS (Chairman)

(b) ODCSPER

(c) ODCSLOG

(d) ODCSRDA

SUBJECT: Implementation of the Resource Management Study Recommendations

- (e) OCA
- (f) OTSG
- (g) OCCH
- (h) TRADOC (if required)
- (i) RMSG
- (j) CPO
- (3) BASOPS Troop Support Activities and AIF FWG:

(a) ODCSLOG (Chairman)

(b) OCA

(c) OCE

(d) OCCH

(e) RMSG

(f) CPO

(4) BASOPS RPMA FWG:

(a) OCE (Chairman)

(b) OCA

(c) ODCSLOG

(d) RMSG

(e) CPO

d. The work groups will, as a minimum --

(1) Determine and recommend to the DM, as a first order of business, the date best suited for implementation. Even though 1 Oct 78 was initially determined to be the implementation date, not all of the functional transfers appear to be adaptable to that date.

(2) Develop the organization to support the functional realignment.

SUBJECT: Implementation of the Resource Management Study Recommendations

(3) Identify personnel/manpower authorizations to be transferred/required for successful implementation.

(4) Develop manpower and functions audit trails using Forms 1, 2, and 3 (special OCSA formats will be provided to work groups).

(5) Identify specific agency functional responsibilities and proposed changes to AR 10-5 and CSR 10-series.

(6) Identify regulations/policy documents/job descriptions requiring revision by the agency with Staff responsibility for the function.

(7) Address continuity of manpower and fiscal controls.

(8) Develop plan for timing implementation of functional transfers, to include a detailed milestone schedule.

(9) Prepare plan for physical moves, if necessary, and space required, in coordination with Building and Space Management.

(10) Coordinate with other FWGs as required; and the results of (1) thru (9) above with all Staff agencies having a vested interest.

(11) Provide results of (1) through (10) above to Director of Management, OCSA, by COB 14 July 1978.

e. Implementation planning will be accomplished within the following "ground rules:"

(1) Physical moves of personnel will be kept to a minimum and approved only, if required, for efficient operations.

(2) Personnel performing a function that is being transferred will move with the function. Personnel will not be shifted into another area prior to implementation so as to cause inter-agency transfer of unfilled spaces.

(3) Functional realignment will be initially accomplished within present personnel authorizations until such time as Staff surveys can be conducted.

(4) Where moves are required, initial remodeling or refurbishment will not be permitted as a condition to timing of a functional transfer.

(5) Any special equipment or facility requirements, i.e., computer remote terminals or classified areas, must be identified early to the DM.

5. RESPONSIBILITIES.

a. Director of the Army Staff will --

(1) Approve the detailed implementation plan.

SUBJECT: Implementation of the Resource Management Study Recommendations

(2) Approve assignment of expanded functional management areas where necessary with transfer of existing manpower authorizations until such time as Staff surveys can be conducted.

(3) Approve minor functional realignments necessitated by the overall implementation plan.

b. Director of Management (OCSA) will —

(1) Exercise overall coordination and control of the implementation planning process, functional work groups, and the RMSG.

(2) Recommend a Staff position to DAS regarding varying agency proposed transfers of personnel/manpower authorizations.

(3) Ensure all affected personnel are adequately informed of the intent of CSA decisions and functional realignments required.

(4) Receive input from the four functional work groups on detailed functions and manpower to be transferred, detailed milestones for transfers, detailed justification for any manpower requirements which exceed resources to be transferred, and a Resource Management Review concept plan from the Director, PA&E.

(5) Consolidate plans and prepare implementing CSM.

(6) Monitor implementation and advise DAS and VCSA on status as necessary.

(7) Review sub-issues at inclosure 2 for appropriate action/disposition.

(8) Initiate a first year assessment of the functional realignments.

c. Director, Program Analysis and Evaluation (OCSA) will —

(1) Develop a detailed concept plan for implementation of CSA decisions concerning development of a DA Staff Resource Management Review capability.

(2) Furnish the detailed concept plan to the DM by 14 Jul 78 for inclusion in the implementation plan to be presented to the DAS for approval.

d. Director of Army Automation will provide advice and assistance to work groups in the area of automated system interface and integration, as necessary.

e. DCSOPS will —

(1) Establish and provide a chairman for the functional work group charged to develop detailed implementation of CSA decisions with respect to Training Management (including Program 8T) on the DA Staff.

SUBJECT: Implementation of the Resource Management Study Recommendations

(2) Provide representative(s) to other functional work groups as indicated at paragraph 4c above.

f. DCSPER will --

(1) Establish and provide a chairman for a functional work group charged to develop detailed implementation of CSA decisions with respect to Manpower Management on the DA Staff, transfer of Program 9 directorship, and transfer of functional management of BASOPS Account N.

(2) Provide representative(s) to other functional work groups as indicated at paragraph 4c above.

g. DCSLOG will --

(1) Establish and provide a chairman for a functional work group charged to develop detailed implementation of CSA decisions, with respect to development of functional management for BASOPS Troop Support Activities and the Army Industrial Fund.

(2) Monitor OSD redefinition of Base Operating Support Costs for impact on Army Management.

(3) Provide representative(s) to other functional work group(s) as indicated in paragraph 4c above.

h. COE will --

(1) Establish and provide a chairman for a functional work group charged to develop detailed implementation of CSA decisions, with respect to development of functional management for BASOPS Real Property Maintenance Activities and BASOPS Account R.

(2) Monitor OSD redefinition of Base Operating Support Costs for impact on Army Management.

i. COA will --

(1) Develop an Army-wide policy for effective management of resources.

(2) Provide technical assistance to functional work groups to ensure adequate continuity of fiscal/program controls in development of detailed implementation plans for transfer of DA Staff management responsibilities for manpower, FYDP programs, BASOPS functional accounts, and the Army Industrial Fund.

(3) Provide representative(s) to functional work groups as indicated in paragraph 4c above.

SUBJECT: Implementation of the Resource Management Study Recommendations

(4) Assist PA&E, as requested in the development of a detailed concept plan for implementation of the Resource Management Review function.

j. DCSRDA, TAG, CCH and TSG will provide representative(s) to functional work groups as indicated in paragraph 4c above.

k. All Staff agencies should be prepared to provide assistance and representatives, as required, in their functional areas of responsibility.

6. MILESTONES.

a. Formulation of functional work groups - 16 Jun 78.

b. Detailed work group implementation planning - 19 Jun - 14 Jul 78.

c. Work Group Plans to Director of Management, OCSA - 14 Jul 78.

d. Implementation plan decision briefing to DAS - mid-Jul 78.

e. Implementation complete - to be determined on basis of FWG recommendations.

f. First year assessment - to be determined.

7. The approved implementation plan will be distributed by separate CSM.

8. The names and telephone numbers of FWG chairmen will be furnished to LTC Borstorff, X7-0485, by COB 16 Jun 78.

BY DIRECTION OF THE CHIEF OF STAFF:

3 Incl
as

W. R. McF. ERT
JOHN R. McF. ERT
Lieutenant General, GS
Director of the Army Staff

SUSPENSE:

DCSOPS, DCSPER, DCSLOG, COE — 16 Jun 78 — Names & telephone numbers of FWG chairmen
— 14 Jul 78 — Detailed Implementation Plans

DIR, PA&E — 14 Jul 78 — RMR Concept

RESOURCE MANAGEMENT STUDY

SUB-ISSUES/QUESTIONS DROPPED FROM FURTHER STUDY CONSIDERATION BY VCSA DECISION

Army Programing

1. Does performance of the function hinder DAS missions?
2. Is guard against excess COA power needed?

Resource Management/Role of COA

1. Shift OMA directorship to DCSOPS?
2. Hold COA responsible for DA Staff coordination, review and program integration of Reserve Component resource management actions?

Decision-Making and Role of DAS

1. Establish Policy and Guidance office within OCSA?

Army-wide Resource Management Policy

1. Stress need for close face/space relationship in all personnel-manpower management?
2. Revalidate policy that MACOM HQ organization is a MACOM determination?

Inclosure 1

RESOURCE MANAGEMENT STUDY

SUB-ISSUES/QUESTIONS DEFERRED BY VCSA DECISION

Manpower Management

1. Form SSA/FOA for ADP Support?
2. Treat CITF as Manpower function?
3. Establish Civilian Pay Acc't?

Resource Management/Role of COA

1. Emphasize COA Cost Analysis capability for technical review?
2. Redefine Appropriation Director responsibilities into fiscal and functional?

Decision-Making and Role of DAS

1. Adopt revised decision-making procedures?
2. Increase role of DAS in decision procedure determination?
3. Increase, very selectively, direct CSA involvement in decision-making process?
4. Encourage decisions by functional managers?
5. DAS emphasize guidance?
6. Combine PGRC and BRC into PBC, chaired by COA?
7. Reduce use of committees through revised procedures?
8. Schedule SELCOM monthly geared to critical decision points?
9. Conduct quarterly CSA RM SELCOM?

Army-wide RM Policy

1. Develop Army RM Assistance and Assessment Program (ARMAAP).
2. Charge TIG with DA Staff responsibility for field operation of ARMAAP.

Inclosure 2

3. Institutionalize Army-wide role of comptroller in RMR.
4. Use ARMAAP to field validate DA RM Policy and manning guidance?
5. Refocus Staffing Guides/Manpower Surveys to increase value for field user?

Career Management Impacts

1. Establish speciality code for Manpower Management in OPMS and EPMS.
2. Place all manpower specialists in manpower Career Program (26).
3. Increase emphasis on RM training for military managers.
4. Increase emphasis on RM training for civilian managers.
5. Have DCSPER provide centralized DA management of civilian personnel training.
6. Seek changes in policy regarding the management of DA civilian personnel in line with the needs of the Army.

Implementation

Make changes concurrent, concentrate about "I-Date".

CSA DECISIONS ON THE RESOURCE MANAGEMENT STUDY

Manpower Management

1. Consolidate the Manpower Management function in DCSPER.
2. Transfer existing Staff responsibilities for the following functions to DCSPER:
 - a. Manpower programming (from DCSOPS).
 - b. Manpower space allocation (from DCSOPS).
 - c. Manpower documentation (AFP) (from DCSOPS).
 - d. Methods & Standards Policy (manpower related) (from COA).
3. Charge the Director of Manpower in DCSPER to:
 - a. Give special attention to the impact/integration of AIF, NAF and CITF spaces.
 - b. Develop an effective manpower reporting system.
 - c. Tie manpower reports to personnel reports.
4. Appropriation/Program Directors must include manpower in resource formulation and pay more attention to this resource.

Training Management

1. Consolidate the military training function in DCSOPS.
2. Transfer existing Staff responsibilities for the following functions to DCSOPS:
 - a. Individual military training management (from DCSPER).
 - b. Directorship of Program 8T (from DCSPER).
3. DCSPER will retain staff responsibility for loading the training base, professional development and career management.
4. DCSPER will retain staff responsibility for pre-commission, civil education and civilian personnel training.

Inclosure 3

Resource Management Review, Army Programing and Role of COA

1. Charge the DPA&E with the responsibility for Total Army Resource Management Review and for developing a CSM describing the details of this function.
2. DA Staff actions which have a resource impact must be coordinated with PA&E.
3. The COA will provide assistance to PA&E for resource management review requirements involving budget, current and prior fiscal years.

Base Operations (BASOPS) and Other Functional Transfers

1. Transfer program/functional management responsibilities from COA.
 - a. BASOPS Troop Support activity management (functional accounts A, B, C, D, E, F, G, N, P, Q) to DCSLOG.
 - b. BASOPS RPMA management (functional accounts H, J, K, L, M, R) to COE.
 - c. FYDP Program 9 to DCSPER.
 - d. Functional management of BASOPS Account N to DCSPER.
 - e. AIF management (exclusive of fiscal responsibilities) to DCSLOG.
2. Responsibilities for management of individual BASOPS functional accounts remain as currently assigned with exception of Account N (to DCSPER) and Account R (to COE).

Resource Management Policy

1. Charge the COA to develop an Army-wide policy for the effective management of resources.
2. The term "Resources" means "all manageable assets including time".

Implementation

1. Implementation of required functional realignments required by CSA decisions is to be effective by 1 October 1978.
2. DAS is delegated authority to approve the detailed Resource Management Study implementation plan.

XVIII. SUMMARY

INTRODUCTION

1. Study findings and recommendations are categorized into eight Major Issues, addressed in preceeding chapters as follows:

1. Manpower Management
2. Army Programing
3. Resource Management/Role of COA
4. Training Resources and Responsibilities
5. Decisionmaking/Role of DAS
6. Army-wide Resource Management Policy
7. Career Management Impacts
8. Implementation

2. Summary recommendations for each of the Major Issues are outlined at Table XVIII-1. These recommendations are keyed directly to the Major Issues Annexes to this chapter, pages 1.1 - 8.5.

SUMMARY RECOMMENDATIONS

#1	<u>"MANPOWER MANAGEMENT"</u>	<div>A</div> <div>B</div>	<div>Consolidate functions into single directorate.</div> <div>Assign DA Staff responsibility to DCSPER.</div>
#2	<u>"ARMY PROGRAMING"</u>	<div>C</div> <div>D</div>	<div>Transfer DA Staff responsibility from OCSA to COA.</div> <div>Provide Dir/Prog special status like DAB.</div>
#3	<u>"RESOURCE MANAGEMENT/ROLE OF COA"</u>	<div>B</div> <div>C</div>	<div>Transfer OMA to DCSOPS; BASOPS, AIF, and "N" to DCSLOG; P-9 to DCSPER.</div> <div>Charge COA, purged of proponency, with mandatory Resource Management Review of all DA Staff actions, including Reserve Components.</div>
#4	<u>"TRAINING RESOURCES AND RESPONSIBILITIES"</u>	<div>B/E</div> <div>C/D</div>	<div>Transfer DA Staff responsibility for individual military training, including P-8T from DCSPER to DCSOPS.</div> <div>Do not change DCSPER responsibility for civil education, precommission, civilian personnel training, ARPRINT, training base loads, and career management.</div>
#5	<u>"DECISIONMAKING AND ROLE OF DAS"</u>	<div>A</div> <div>B</div> <div>C</div>	<div>Adopt improved (proposed) DA Staff decisionmaking procedure.</div> <div>Increase responsibility and authority of DAS and DA Staff Heads for decisions within assigned areas.</div> <div>Schedule SELCOM meetings monthly based on Critical Decision Points, with CSA participation quarterly for appropriate updates, guidance, and decisions.</div>
#6	<u>"ARMY-WIDE RESOURCE MANAGEMENT POLICY"</u>	<div>A</div> <div>B/C</div>	<div>Charge COA to develop an Army-wide resource management policy.</div> <div>Implement an Army Resource Management Assistance and Assessment Program under TIG.</div>
#7	<u>"CAREER MANAGEMENT IMPACTS"</u>	<div>A/B</div> <div>C/D</div> <div>E/F</div>	<div>Provide improved manpower specialties for both military and civilian personnel.</div> <div>Improve Resource Management training for both military and civilian personnel.</div> <div>Establish DA level control of civilian personnel training to obtain maximum cost effectiveness.</div>
#8	<u>"IMPLEMENTATION"</u>	<div>A</div> <div>B</div>	<div>Concurrent moves.</div> <div>DAS delegated authority to approve the detailed implementation plan.</div>

ISSUE #1 -- PERSPECTIVE

MAJOR
ISSUE

"Manpower Management"--

Consolidate?

(yes or no)

Staff Responsibility?

(DCSRM, DCSOPS, DCSPER)

PROBLEMS

- Fragmented -- no functional head.
- Poor use of expertise.
- Inadequate reports.
- Lack of proper controls.
- Weak justification.
- Inadequate cost, people consideration.

HISTORICAL
REVIEW

- Function started in WW II, WDMB.
- In 1951, military and civilian manpower management changed to DCSPER (G-1).
- 1965 to 1974, ACSFOR had responsibility.
- Reorganization of 1974 divided function among DCSPER, DCSOPS, and COA, with DCSLOG, TIG, and OCSA participating.
- DCSRM established by TRADOC in 1974, by USAREUR in 1976.
- Manpower study by HQDA in 1977

ISSUE #1 -- SPECIFIC QUESTIONS

**MAJOR
ISSUE**

- 1 "Manpower Management"
- 1A Consolidate manpower function?
- 1B Place staff responsibility where?
- 1B1 DCSRM for \$/Space?
- 1B2 DCSOPS for Force/Space?
- 1B3 DCSPER for Face/Space?

**RELATED
ISSUES**

- 1C Form SSA/FOA for ADP support?
- 1D Treat CITF as Manpower function?
- 1E Review AIF, NAF, CITF spaces?
- 1F Develop manpower reporting system?
- 1G Tie manpower reports to personnel reports?
- 1H Establish Civilian Pay Act, administratively, to cover
all civilian personnel?

ISSUE #1 -- FINDINGS AND RECOMMENDATIONS

ISSUE #

-- "Manpower Management"

- 1A Yes, Consolidation essential to improvement.
- 1B DCSPER
- 1B1 \$/Space coordination important, but collocation not necessary.
Danger of hurting Financial Management needlessly and manpower also.
- 1B2 Force/Space coordination also important, but collocation unnecessary.
Loss of detailed Manpower function probably help to other missions.
- 1B3 Critical, overriding need for Face/Space coordination.
Cost and Force coordination subordinated to Face/Space management.
-
- 1C An FQA/SSA for ADP support is needed.
- 1D CITF demands special manpower attention.
Should leave OCSA after base issues resolved.
Best solution -- Include CITF in Manpower function, coordinate as needed with DCSSLOG.
Acceptable alternative -- Return CITF function to DCSSLOG, require coordination with Manpower Director.
- 1E&F Yes, manpower review is necessary for AIF and NAF.
- 1G Yes, badly needed. Should be tied to personnel reports.
- 1H Attractive concept. Should be evaluated fully by DCSPER.

ISSUE #1 -- BASIS FOR RECOMMENDATIONS

"Manpower Management"

1A

Why is consolidation necessary?

- Separation of allocations from standards, from guides, from survey, hurts system effectiveness.
- Available skills and expertise are not fully used.
- Available management information is inadequate.
- Fragmentation causes emphasis on parts of manpower system at expense of the whole.
- Improved justification of manpower requirements depends on total system improvements.
- With OSD and GAO criticism, Army cannot afford to treat manpower as less than an important function.

1B

Why make manpower management a DCSPER responsibility?

- For most purposes, there is no clear distinction made between "manpower" and "personnel."
- Manpower/personnel cost is a major issue today.
- Complete "manpower" management involves actual strength, skills, grade levels, motivation and other human factors as well as pure "spaces."
- "People are the Army," and are affected by "manpower" actions.
- Greatest effectiveness results when manpower is managed in concert with military and civilian personnel management.
- Manpower/personnel coordination is more critical and more demanding than that required with funding and force structure.

ISSUE #1 -- IMPACTS

"Manpower Management"

1A

Consolidate manpower - what effects?

- PRO:** - Single HQDA Staff manager for contact, system improvement.
- Will focus attention on current manpower system problems.
 - Makes best use of all skills, expertise.
 - Provides basis for developing sound requirements, justification.
 - Assists MACOMs with professional example and advice.
- CON:** - Forces mix of manpower and productivity standards.
- Could remove HQDA Staff survey function from OCSA.
 - Could remove field survey function from TIG.
 - Will require physical relocation of some personnel.

1B

Impact of charging DCSPER with manpower management?

- PRO:** - Places emphasis on people considerations.
- Ties manpower and personnel utilization together
 - With crosswalk, greatly expands management information.
 - Reduces administrative workload of DCSOPS.
 - Improves DCSPER and DCSOPS war/emergency posture.
 - Will help eliminate "free labor" connection towards military personnel
- CON:** - Removes manpower/force structure coordination from internal DCSOPS.
- Continues need for close \$/space coordination on HQDA Staff.

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #1 (SUMMARY)

MAJOR ISSUE: Manpower Management Responsibilities -- Should they be consolidated? If so -- where?

PROBLEMS:

- Fragmented -- no functional head
- Poor use of expertise
- Inadequate reports
- Lack of proper controls
- Weak justification
- Inadequate cost, people consideration

SUB ISSUE #

KEY ACTION RECOMMENDED

- DA, BN
- Consolidate manpower in DCSPER
- Form an FOA/SSA for ADP support
- Following resolution of base issues, assign CITE functions to manpower in DCSPER
- Develop manpower reporting system
- Establish AIF, MAF review capability in DCSPER
- Tie manpower reports to personnel reports
- Give manpower manager in DCSPER centralized control over civilian pay

IMPROVEMENTS/IMPACT

- Single manpower manager on DA Staff
- Limits specific management in one DA Staff agency
- Provides for improved feedback in manpower utilization
- Reduces administrative workload "lean counseling" on DA Staff
- Provides dollar/space crosswalk for manpower manager in DCSPER
- Provides improved review capability over CITE, AIF, MAF
- Separates manpower space management from force structure

ALTERNATIVES:

- Leave manpower fragmented DA/114
- Consolidate manpower in DCSOPS
- Consolidate manpower in CDA (DCSRR)

ISSUE #2 -- PERSPECTIVE

**MAJOR
ISSUE**

"Army Programing"

OCSA Function?

(Yes or No)

Charge COA?

(Yes or No)

PROBLEMS

- Programing split organizationally from Budget.
- Complicates staffing and coordination.
- Leads to duplication of effort.
- Risks unrecognized disconnects.
- Detracts from PPBS direction and management.
- Detracts from COA prescribed Staff role.

**HISTORICAL
REVIEW**

- Early reaction to McNamara management system.
- Started in early 60's as Force Planning Analysis.
- Later changed to Planning and Program Analysis.
- Key element of AVCSA formed in 1967.
- PA&E title adopted in 1974 Staff Reorganization.
- Of AVCSA functions, only WSA is not in DAS today.

ISSUE #2 -- SPECIFIC QUESTIONS

**MAJOR
ISSUE**

- 2 "Army Programing"
- 2A Must function be performed in OCSA?
- 2B Does function aid or hinder DAS missions?
- 2C Should COA be charged with Army Programing?

**RELATED
ISSUES**

- 2D If so, should Director/Programing have special status (DAB)?
- 2E Is guard against excess COA power needed?

ISSUE #2 -- FINDINGS AND RECOMMENDATIONS

ISSUE
#

-- "Army Programing"

- 2A No. Reason for location is historical, not necessity.
- 2B Both. Provides direct means for OCSA involvement.
But puts OCSA attention on functional performance at the expense
of guidance and staff integration.
- 2C Yes. Combining Programing and Budgeting under COA will strengthen
PPBS, simplify staff coordination and permit full utilization of
COA office.
-
- 2D Yes. D/PROG under COA will need special status and direct access
to DA Staff, CSA, OSA, and OSD as appropriate to the Army Programing
mission.
- 2E No. COA would be manager of the PPBS, not "driver of the Army
Staff." Any perceived "power" would stem from cross-functional
programing, budgeting and review of resource management by the
Army Staff.

ISSUE #2 -- BASIS FOR RECOMMENDATIONS

"Army Programing"

2A

Why is OCSA location not a must?

- Years ago when programing was new, OCSA was logical.
- As process matured, both logic and need diminished.
- USAF uses DCS Programs; at OSD, PAE has ASD status.
- Absence of proponency is only sound logic for OCSA today.

2B

Why is DAS both helped and hurt?

- Functional work load detracts from normal staff direction.
- Tends to focus OCSA attention on programs vs plans, budgets.
- Helps in that CSA has ready access to program issues.
- Helps in that goals, objectives, programs are together.

2C

Why should COA have programing?

- Adds cohesion to PPBS process ties plans, programs, budgets.
- Simplifies PPBS coordination; improves reaction posture.
- Reduces duplication of effort and possibility of disconnects.
- Makes greater use of COA as General Staff Head.

ISSUE #2 -- IMPACTS

"Army Programing"

2A

N/A.

2B

N/A.

2C

Impact of COA becoming programmer of the Army?

PRO - Expands COA role far beyond financial management.

- Creates central HQDA Staff POC for PPBS matters.

- Need not cause physical move of PAE.

- Need not reduce D/Prog vs D/PAE access to CSA.

- Gives COA office a challenging, substantive role.

- Encourages greater OCSA reliance on HQDA Staff efforts.

CON - Reduces internal OCSA analysis capability.

- Reduces internal OCSA fire fighting capacity.

- Creates need for policy and guidance office within OCSA.

- Could result in D/M involvement in OCSA crises.

- Could make selection of future COAs more difficult.

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #2 (SUMMARY)

MAJOR ISSUE: Army Programming -- Where should it be performed?

PROBLEMS:

- o Programming is split organizationally from Budget
- o Split complicates staffing and coordination
- o Split leads to duplication of effort
- o Split creates potential for disconnects
- o Split detracts from PPBS direction and management
- o Split detracts from COA prescribed staff role

Sub Issue #

KEY ACTION RECOMMENDED

- (2C) o Charge COA with responsibility for Army Programming
- (2D) o Provide special status to Director of Programs (similar to DAB)

IMPROVEMENTS/IMPACT

- o Reduction in OCSA attention on functional performance and increase in guidance and staff integration
- o PPBS will be strengthened and staff coordination will be simplified
- o Office of the COA will be fully utilized for RMR

2.6

ALTERNATIVES:

- o Retain programming in OCSA
- o Form ACS (Prog) as new Staff Agency

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ISSUE #3 -- PERSPECTIVE

MAJOR ISSUES

"Resource Management/Role of COA"

Eliminate proponency? (Yes or No)	Who responsible? (LOG, OPS, PER)	RM Review? (Yes or No)
--------------------------------------	-------------------------------------	---------------------------

PROBLEMS

- COA has both proponency and non-proponency missions.
- While 97% of fund responsibility is with functional managers, COA directly controls OMA, BASOPS, and AIF.
- Functional managers see COA objectivity as an impossibility.
- Because of COA role, functional managers cited have less authority than responsibility.
- Functional involvement of COA limits his RM review role.
- Most RM review now falls to PA&E by default.

HISTORICAL REVIEW

- OMA, BASOPS, and AIF have long been management problems.
- All solutions to organization are a form of compromise.
- Policy in 1974 was that Staff Agencies would not be given responsibility that exceeded assigned functions.
- Although AVCSA was disestablished in 1974, OCSA is still looked to for RM on DA Staff.

ISSUE #3 -- SPECIFIC QUESTIONS

**MAJOR
ISSUE**

- 3. "Resource Management/Role of COA"
- 3A Purge COA of functional proponentcy?
- 3B Transfer COA functions where?
- 3B1 AIF to DCSLOG?
- 3B2 OMA to DCSOPS?
- 3B3 BASOPS to DCSLOG?
- 3B4 PROG-9 to DCSPER?
- 3B5 Account "N" to DCSLOG?
- 3C Charge COA with DA Staff Resource Management review?

**RELATED
ISSUES**

- 3D Make RM review by COA mandatory if action involves other than functional authority, resources?
- 3E Emphasize COA Cost Analysis capability for technical review?
- 3F In keeping with Total Army Goals, hold COA responsible for DA Staff coordination, review, and program integration of Reserve Component Resource Management actions.
- 3G Redefine Appropriation Director responsibilities into Fiscal and Functional?

ISSUE #3 -- FINDINGS AND RECOMMENDATIONS

ISSUE
1

"Resource Management/Role of COA"

- 3A Yes. COA should be without proponenty and decision authority if RM review is to be objective.
- 3B Yes. as shown: AIF + BASOPS + ACT "N" to DCSLOG, PROG-9 to DCSPER.
- 3C Yes. In keeping with, but expansion of, current missions.
-
- 3D Should be incorporated into DA Staff RM process to ensure integration of plans, programs and budgets with goals, guidance, and directives.
- 3E Very desirable for COA to use expertise to fullest possible extent.
- 3F Yes. Definite need to ensure full integration of R.C. resource management (6 appropriations) with Total Army plans and programs.
- 3G Yes. Both cost and functional staff are involved but should have clear-cut, separate responsibilities.

ISSUE #3 -- BASIS FOR RECOMMENDATIONS

"Resource Management/Role of COA"

3A

Why purge COA of proponency?

- Responsibility rests with functional managers.
- Proponency, except FA+O, detracts from RM review role.
- Humanly impossible to operate OMA and be fully objective.
- COA proponent functions can be performed by other Staff elements; RM review cannot.

3B

What is basis for transferring responsibilities?

- DCSOPS is responsible for operational readiness, and is to be charged with all military training - thus has greatest direct functional responsibilities for OMA, to include interest in P-9, BASOPS, and their impact on mission \$.
- DCSLOG, in concert with COE, has greatest functional responsibility for BASOPS programs -- DCSLOG impact on OMA is great in terms of P-7 and BASOPS as they relate to training and operational readiness. AIF responsibility is an integral part of P-7.
- DCSLOG is made responsible for Act N because of overall functional relationship to BASOPS.
- DCSPER is made responsible for P-9 based on impact of manpower considerations on total program management and desire to preclude DAS involvement in operational resource management functions.

3C

Why look to COA for RM review?

- Reduce operational functions performed within OCSA.
- Make better use of COA as HQDA General Staff Head.
- Help functional managers participate in PPBS process.
- Emphasize importance of RM review as HQDA Staff function

ISSUE #3 -- IMPACTS

"Resource Management/Role of COA"

3A

Effect from eliminating COA proponentcies?

PRO - COA broad responsibility for Army Programing and Budgeting unhindered by administration of OMA appropriation and BASOPS program.

- RM review by nonproponent COA provided maximum objectivity.

CON - May be seen as elimination of check and balance on authority provided DCSOPS, DCSLOG, DCSPER.

3B

What impact from transferring budget program responsibilities?

PRO - OMA (appropriation and programs) driven by functional responsibility.

- DCSOPS, DCSLOG, DCSPER given authority and resources in keeping with their HQDA Staff functional responsibilities.

CON - Can be viewed as added administrative burden on DCSOPS, DCSLOG, DCSPER.

3C

Effect from COA performing RM review?

PRO - Helps ensure budget and program decisions are in concert with actions of functional managers.

- Provide ready POC for Staff to obtain RM advice.

- Allows RM issues to be addressed within HQDA Staff and without routine OCSA involvement.

CON - COA could be viewed as a dictator or czar by some.

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #3 (SUMMARY)

MAJOR ISSUE: Resource Management/Role of COA -- Eliminate proponenty? If so, who picks up responsibilities? What about RM review?

PROBLEMS:

- o COA has both proponenty and nonproponenty mission.
- o While 97% of fund responsibility is with functional managers COA directly controls OMA, BASOPS, and AIF.
- o Functional managers see COA objectivity as an impossibility.
- o Because of COA role, functional managers cited have less authority than responsibility.
- o Functional involvement of COA limits his RM review role.
- o Most RM review now falls to PAGE by default.

Sub Issue #

KEY ACTION RECOMMENDED

- (DA) o COA should be purged of proponenty (BASOPS, Program 9, N Act)
- (DB) o Transfer responsibility for AIF, BASOPS, and N account to DCSLOC.
- (DC) o Charge COA with DA Staff Resource Management Review
- (DD) o Make RM review by COA mandatory if action involves other than functional authority resources
- (DE) o Emphasize COA Cost Analysis capability for technical review
- (DF) o Hold COA responsible for DA Staff coordination, review and program integration of Reserve Component Resource Management

IMPROVEMENTS/IMPACT

- o Permits Resource Management Review from an agency free of functional proponenty
- o Links management of the AIF and FYDP Program 7
- o Charges the principal staff agency having majority of functional accounts with management of Base Operations
- o Links responsibility for Army Readiness and requirements with management of OMA
- o Enhances integration of Reserve Component Resource Management

ALTERNATIVES:

- o Retain programming function in OCSA, task PAGE with RMR responsibility
- o Retain status quo in COA
- o Split responsibility for functional BASOPS management between DCSLOC and COE as two administrative programs
- o N Account to PCSPER
- o Program 9 to D.W.

ISSUE #4 -- PERSPECTIVE

MAJOR
ISSUE

"Training Resources and Responsibilities"

Individual Training a DCSPER must?

(YES or NO)

DCSOPS responsible for all military training?

(YES or NO)

PROBLEMS

- Readiness dependent upon all military training
- Training costs not tied to readiness status.
- Trade-offs between Individual (P-8T) and Unit (P-2) difficult to achieve.
- Training research, developments, support, evaluation must apply Army-wide for full value.
- Artificial division of responsibility limits options open to both trainer and unit commander.
- No functional head on DA Staff to provide Army-oriented management and resource support.

HISTORICAL
REVIEW

- 1961 DCSOPS -- Operational and Training Requirements
- 1963 ACSFOR -- Training concepts, policies, programs for individuals and units
- 1966 DCSPER -- Responsibility for individual training
- 1974 DCSOPS -- Training concepts, policies, programs for units of the Army
- 1975 DCSOPS -- Unit training and policy for training media support, simulators, etc.

ISSUE #4 -- SPECIFIC QUESTIONS

MAJOR
ISSUE

4 "Training Resources and Responsibilities"

- 4A Must Individual Military Training remain a DCSPER responsibility?
- 4B Charge DCSOPS with DA Staff responsibility for all Military Training?

RELATED
ISSUES

- 4C Continue DCSPER responsibility for pre-commission, civil education, and civilian personnel training?
- 4D Continue DCSPER responsibility for loading the training base, and career management?
- 4E Transfer Program 8-T from DCSPER to DCSOPS?

ISSUE #4 -- FINDINGS AND RECOMMENDATIONS

ISSUE #

-- "Training Resources and Responsibilities"

- 4A No. Loss/Gain, Recruiting, loading cycle is completed when individual reports for training.
- 4B Yes. Training subjects, standards, methods, and support in Individual Training impact directly on Unit Training + Readiness.
-
- 4C Yes. These functions are essential part of military and civilian personnel management.
- 4D Yes. Determining the number of people by MOS by month to put into training is a DCSPER function, as is career management and professional development of military personnel.
- 4E Yes. Training costs and resulting readiness status are paid for from P-2 and P-8T which must be managed together under a single manager.

ISSUE #4 -- BASIS FOR RECOMMENDATIONS

"Training Resources and Responsibilities"

4A

Why is individual military training not necessarily a DCSPER function?

- DCSPER effort is limited primarily to critical tasks of computing numbers needed, recruiting needed numbers, and providing new accessions for entry training.
- DCSPER basically is not involved in training per se -- what subjects, skills, standards are most effectively associated with BCT, AIT (OSUT), or unit, are all related readiness and RM issues.

4B

Why charge DCSOPS with individual military training?

- BT, especially AIT, prepares the new soldier to join his unit in ready to fight status, thus impacting directly on unit readiness.
- BCT, AIT, Unit Training, and Unit Readiness are linked by a series of training decisions, largely interactive.
- Training costs, especially on complex equipment, demand attention on many current training issues.
- HQDA and TRADOC used a training management office to coordinate Army-wide policy, program, and resource issues.
- The Army particularly needs a central training office at HQDA level to ensure training is fully considered in all actions -- R&D, procurement, stationing, MCA, Reserve Affairs, and all aspects of resource management.

ISSUE #4 -- IMPACTS

"Training Resources and Responsibilities"

4A

What effect if DCSPER is not responsible for individual military training?

- PRO - Function of "loading the training base" should be given a more accurate title than individual training.
- CON - Coordination of 8-O with 8-M with 8-T may be more difficult.
 - All personnel computations, recruiting, and management now performed by DCSPER must continue as DCSPER responsibilities.
 - Probably necessary for DCSOPS to monitor or share output of ATRRS/ARPRINT; if DCSPER operates system.

4B

Impact of DCSOPS being responsible for all military training?

- PRO - HQDA will have a single training manager capable of developing an integrated Army-wide training program.
 - With P-2 and 8-T under a single manager, tradeoffs between the training base and units can be developed while maintaining a focus on readiness.
 - Army in position to optimize training research, developments and support to units.
 - Centralized management will place Army in better position to justify training resource requirements.
- CON - Career and professional training requirements will necessitate coordination across Staff lines.
 - Accessioning process link with the training base will require close coordination.

RESOURCE MANAGEMENT STUDY -- MAJOR ISSUE #4 (SUMMARY)

MAJOR ISSUE Training Resources and Responsibilities -- Should individual and collective training be consolidated?

PROBLEMS:

- o Readiness is dependent upon all military training
- o Training costs are not tied to readiness status
- o Trade-offs between P-8T and P-2 difficult to achieve
- o Training research, development, support, evaluation must apply Army-wide for full value
- o Limited options open to both trainer and unit commander
- o No functional head on DA staff to provide Army-oriented management and resource support

Sub Issue

KEY ACTION RECOMMENDED

- (4B) o Charge DCSOPS with DA Staff responsibility for all military training
- (4C) o Continue DCSOPS responsibility for pre-commission, civil education, and civilian personnel training.
- (4D) o Continue DCSOPS responsibility for loading the training base, operating ARPRINT and career management.
- (4E) o Transfer Program 8-T from DCSOPS to DCSOPS

IMPROVEMENTS/IMPACT

- o Links individual training, unit training and readiness in one DA staff agency--a Dir/Training on the DA Staff
- o Provides for development of trade-offs between P-8T and P-2
- o Centralizes management for the most important function of a peacetime Army
- o Retains responsibility for loss/gain determination, recruiting, ARPRINT, and loading of the training base in DCSOPS.

ALTERNATIVES

- o Retain responsibility for individual training in DCSOPS

4.6

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ISSUE #5 -- PERSPECTIVE

MAJOR ISSUES

"Decision-Making and Role of DAS"

Revise procedure?
(Yes or No)

Increase DAS role?
(Yes or No)

Involve CSA more?
(Yes or No)

PROBLEMS

- Excessive use of committees; great cost in time.
- Looking to committees for decisions; poor habits.
- Those responsible not always fully involved.
- Adequate, timely guidance not a certainty.
- Functional managers discouraged from making decisions.
- Some "critical decisions" get little attention.
- SELCOM schedule too crisis oriented.
- Committee "responsibility" shifts from 2-star to 4-star.
- Limited CSA involvement on timely basis.

HISTORICAL REVIEW

- SELCOM was created by AVCSA in 1970 to force Staff Heads to address issues, confront each other, and agree by majority vote on solutions to Army problems.
- General Staff traditional procedures have repeatedly fallen short in management environment of 60's and 70's.
- The AVCSA office served the Army well for the time and circumstances of its existence.
- Although the Technical services are long gone, strong vestiges of presumed independence remain visible in various pockets of Army endeavor.

ISSUE #5 -- SPECIFIC QUESTIONS

MAJOR
ISSUE

- 5 "Decision-Making and Role of DAS"
- 5A Adopt revised decision-making procedures?
- 5B Increase role of DAS in procedure determination?
- 5C Increase, very selectively, direct CSA involvement in decision-making process?

RELATED
ISSUES

- 5D Encourage decisions by functional managers on coordinated matters within assigned responsibility?
- 5E Stress importance of timely guidance and look to DAS to provide CSA/VCSA input?
- 5F Establish, within OCSA, a small "Policy and Guidance" office, headed by a Colonel, charged with development and documentation of CSA desires, directives, and decisions?
- 5G Reduce the number of standing committees by combining BRC and PGRC into a single PBC, chaired by COA?
- 5H Reduce use of committees by revised procedure?
- 5I Base annual SELCOM schedule on monthly meetings geared to Critical Decision Points?
- 5J Conduct quarterly CSA RM SELCOM to advise participants, permit timely decisions, and provide CSA guidance?

ISSUE #5 -- FINDINGS AND RECOMMENDATIONS

ISSUE
#

"Decision-Making and Role of DAS"

- 5A Yes. Badly needed.
- 5B Yes. Key element of charter. But needs time.
- 5C Yes. CSA bears responsibility, must be involved. But only to extent warranted by his position.
-
- 5D Yes. Fundamental aspect of sound DA management actions.
- 5E Yes. Sound management principle; proper role of DAS.
- 5F Yes. PA&E serves purpose now; need will continue.
- 5G Yes. Only logic for two now is organization of PA&E vs DAB.
- 5H Yes. Use of formal standing committees should be very limited and tightly controlled.
- 5I Yes. Will help focus attention on key matters and save time of participants.
- 5J Yes. Practical, productive way to involve CSA in PPBS on periodic basis; should be of value to DA Staff as well as CSA.

ISSUE 5 - BASIS FOR RECOMMENDATIONS

"Decision-making and Role of DAS"

5A

Why change decision-making procedures?

- Divided functions and crisis orientation have contributed to poor habits.
- Complexity, plus organizational deficiencies, has caused frequent use of committees.
- Under normal press of business, actions are tasked without guidance.
- Revised procedures can focus attention on ways to increase efficiency as well as effectiveness.

5B

Why look to DAS for larger role?

- DAS, though not a functional decision-maker, directs the DA Staff -- he is best informed to judge prior knowledge, interest, impact, and sensitivity of CSA/VCSA to various issues.
- DAS is also in an excellent position to exercise discipline over prescribed decision-making procedures.

5C

Why increase CSA involvement?

- CSA involvement must balance with importance, impact, interest, and responsibility.
- But where appropriate, CSA involvement is helpful to both CSA and DA Staff.

ISSUE 5 - IMPACTS

"Decision-making & Role of DAS"

5A

Effect of revised procedure?

- PRO:
- Critical importance of guidance is highlighted.
 - Action officers get some help before they staff actions.
 - More decisions should be made without need for committee review.
- CON:
- Increased reliance on normal staff coordination could entail some professional risk.

5B

Effect of DAS actively directing decision process?

- PRO:
- More selective use of senior committees.
 - Reduced time needed to obtain decisions.
 - DAS role helpful to DA Staff, from obtaining guidance to final decision.
- CON:
- Role could be viewed as obstacle to direct DA Staff to VCSA/CSA contact.

5C

Impact of greater CSA involvement?

- PRO:
- CSA advised in more timely manner.
 - CSA given better opportunity to provide guidance, make decisions when appropriate.
- CON:
- Key actions could be delayed if CSA participation is rigidly required.

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #5 (SUMMARY)

MAJOR ISSUE: Decision-Making and Role of DAS -- Should role of DAS be Increased? Should CSA Involvement be Increased?

PROBLEMS:

- o Excessive use of committees--great cost in time--look to committees for decision.
- o Those responsible not always fully involved.
- o Adequate, timely guidance not a certainty.
- o Functional managers discouraged from making decisions.
- o Some "critical decisions" get little attention.
- o SELCOM schedule too crisis oriented.
- o Committee "responsibility" shifts from 2-star to 4-star.
- o Limited CSA involvement on a timely basis.

Sub Issue

KEY ACTION RECOMMENDED

- GA) o Revised decision-making procedures must be adopted.
- GB) o Increase role of DAS in decision procedure determination.
- GC) o Increase, very selectively, direct CSA involvement in decision-making process.
- GD) o Encourage decisions by functional managers on coordinated matters within assigned responsibility.
- GE) o Establish, within OCSA, a small "Policy & Guidance" office.
- GF) o Combine BRC and PGRC into a single PBC chaired by COA.
- GG) o Base annual SELCOM schedule on monthly meetings geared to Critical Decision Points.
- GJ) o Conduct quarterly CSA SELCOM with RM focus.

IMPROVEMENTS/IMPACT

- o Better focus on key decisions--less waste of leadership's time.
- o Reduction in the number and use of standing committees.
- o Increase in role of functional managers in the decision-making process.
- o Less involvement on the part of OCSA in internal staff agency functional responsibilities.

ALTERNATIVES:

- o Maintain status quo.

ISSUE #6 -- PERSPECTIVE

MAJOR
ISSUE

"Army-Wide Resource Management Policy"

Publish?

Develop ARMAAP?

(Yes or No)

(Yes or No)

PROBLEMS

- Term "Resources" undefined, variously understood.
- Term "Resource Management" is more buzz-word than specific function in most usage.
- "Allocation" is viewed by many as "management".
- Military fundamentals such as integrity and responsibility are losing predominance.
- Serious people speak of the need for an "honest broker" to keep staff actions in focus.
- Army documents speak of voting and non-voting membership regarding decision committees.
- Coordination produces little controversy and lowest common denominator results.
- MACOMs and field commands view DA Staff as the Army's management experts.

HISTORICAL
REVIEW

- Over the years, the Army has published many documents regarding "management".
- Although "Resource Management" is a pragmatic function as well as a popular term, there is no single document stating Army policy.

ISSUE #6 -- SPECIFIC QUESTIONS

MAJOR
ISSUE

- 6 "Army-Wide Resource Management Policy"
- 6A Publish an Army-Wide RM policy?
- 6B Develop an Army RM Assistance and Assessment Program (ARMAAP) to help field managers and advise top management?

RELATED
ISSUES

- 6C Charge COA with Army-Wide RM policy?
- 6D Charge TIG with field operation of ARMAAP?
- 6E Use ARMAAP to field validate DA RM policy and manning guidance?
- 6F Refocus Staffing Guide/Manpower Surveys to increase value for field user?
- 6G Emphasize Army-wide role of comptrollers in RM review?
- 6H Stress need for close face-space relationship in all personnel-manpower management?
- 6I Revalidate policy that MACOM HQ organization is a MACOM determination?
- 6J Establish such thresholds and informational reports as required to preclude the policy of decentralization from being counter-productive?

ISSUE #6 -- FINDINGS AND RECOMMENDATIONS

ISSUE

"Army-Wide Resource Management Policy"

- | | |
|-------|---|
| 6A | Yes. A policy is needed to define key terms, establish concept, prescribe guidance. |
| 6B | Yes. Field Commanders need and deserve management assistance; DA should be able to assess effectiveness of field management. |
| <hr/> | |
| 6C | Optional. If not COA, D/M, needs DA level attention. |
| 6D | Optional. TIG preferred based on non-proponency and world-wide coverage ability. Could be responsibility of COA * or D/M. |
| 6E | Yes. Badly needed. Little field validation now. |
| 6F | Yes. Very desirable. Staffing Guide numbers and Schedule X procedures are of doubtful value. Management experts can do better for the Army. |
| 6G | Yes. RM Review is a key aspect of Comptroller responsibility.* |
| 6H | Yes. By organization, function, regulation, and attitude, the critical face-space relationship tends to be overlooked. |
| 6I | Yes. DA should not dictate MACOM HQ organization. |
| 6J | Yes. Decentralization is sound, but must be controlled where restraints are imposed upon DA. |

* If RMR responsibility is assigned to other than COA, ARMAAP program management should also be assigned to that other agency, i.e., PA&E in OCSA

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #6 (SUMMARY)

MAJOR ISSUE: Army-wide Resource Management Policy - Does the Army need one?

PROBLEMS:

- o The term "Resources" is undefined, variously understood.
- o Term "Resource Management" is more buzz-word than specific function in most usage.
- o "Allocation" is viewed by many as "management".
- o Military fundamentals such as integrity and responsibility are losing predominance.
- o Serious people speak of the need for an "honest broker" to keep staff actions in focus.
- o Army documents speak of voting and non-voting membership regarding decision committees.
- o Coordination produces little controversy and lowest common denominator results.
- o MACOMs and field commands view DA Staff as the Army's management experts.

Sub Issue

KEY ACTION RECOMMENDED

- 6A, C) o Publish an Army-wide RM policy -- Charge COA with responsibility for policy.
- 6B, D) o Develop an Army RM Assistance and Assessment Program (ARMAAP) to help field managers and advise top management -- Charge TIG with field operation.
- 6F) o Refocus Staffing Guides/Manpower Surveys to increase value for field user.
- 6G) o Emphasize Army-wide role of comptrollers in RM review.
- 6H) o Establish such thresholds and informational reports as required to preclude the policy of decentralization from being counter-productive.

IMPROVEMENTS/IMPACT

- o Increase in the level of management assistance to field commanders.
- o Elimination of much confusion with respect to RM terms, concepts and procedures.
- o Increase in the level of field validation of manpower requirements.
- o Increase in emphasis of face-space relationship.
- o Increase in the control over decentralization.

ALTERNATIVES:

- o Retain Status quo.

ISSUE #7 -- PERSPECTIVE

MAJOR
ISSUE

"Career Management Impacts"

Manpower, Military/Civilian OK?
(Yes or No)

RM, Military/Civilian OK?
(Yes or No)

PROBLEMS

- Military Manpower specialty obscured by Operations.
- Civilian Manpower specialty ill-defined, mixed with management analysts.
- RM, except in very narrow interpretation, is not now an integral part of military or civilian training.
- Training of civilian personnel lacks purpose, cost effectiveness analysis, and long range benefits.
- Civilian Personnel rules at times prevent actions needed for sound management and are out of step with military requirements as well as military personnel management.

HISTORICAL
REVIEW

- Manpower Control Officer MOS 2265 incorporated in Specialty Code 41A Personnel Management under OPMS
- Officer manpower specialists classified as Operations and Force Development Staff Officer, 54A.
- Civilian manpower specialists (GS 343 Management Analysts) covered by Career Program 26 (Manpower and Force Management).
- Methods and Standards specialists (primarily GS-343 Management Analysts) covered by Career Program 11 (Comptrollership).

ISSUE #7 -- SPECIFIC QUESTIONS

MAJOR
ISSUE

- 7 "Career Management Impacts"
- 7A Is manpower specialty best placed now for military?
- 7B Is manpower specialty best placed now for civilians?
- 7C Is resource management adequately treated today in military specialties?
- 7D Is resource management adequately treated today in civilian specialties?

RELATED
ISSUES

- 7E In view of needs, cost, and time involved, is proper attention given Army Civilian Personnel training?
- 7F Is centralized DA level management by DCSPER of Army Civilian Personnel training needed to make best use of civilian manpower authorizations and funds?
- 7G Is effective utilization of Army Civilian Personnel hampered by some CSC rules and regulations?

ISSUE #7 -- FINDINGS AND RECOMMENDATIONS

ISSUE #	<u>"Career Management Impacts"</u>
7A	No. Would be better separate or part of Personnel Management.
7B	No. Would be better with a separate professional level and technician level.
7C	No. Deserves attention by Army Schools as soon as RM Policy is published; possibly include Programing.
7D	No. Senior Civilian Officials must depend on Army Schools; <u>others learn functional management.</u>
7E	No. Needs same degree of management scrutiny as military training; not getting it.
7F	Yes. If best use is to be made of civilian expertise and stability, vitally important to provide and manage sound training programs of Army-wide benefit.
7G	Yes. Onus should be on civilian employees to meet Army management requirements, reasonably specified, and except for actual combat, civilian employees and military personnel should be treated with equal consideration.

RESOURCE MANAGEMENT STUDY - MAJOR ISSUE #7 (Summary)

MAJOR ISSUE: Career Management Impacts -- Are improvements needed?

PROBLEMS:

- o Military Manpower specialty is obscured by Operations.
- o Civilian Manpower specialty is ill-defined, and mixed with management analysts.
- o RM, except in very narrow interpretation is not now an integral part of military or civilian training.
- o Training of civilian personnel lacks purpose, cost effectiveness analysis, and long range benefits.
- o Civilian Personnel rules at times prevent actions needing sound management and are out of step with military requirements as well as military personnel management.

Sub Issue

KEY ACTION RECOMMENDED

IMPROVEMENTS/IMPACT

- | | | |
|---------|---|--|
| (7A) | o Military Manpower specialty should be separate or should be a part of Personnel Management. | o Increased emphasis on training in Resource Management-- expanded focus. |
| (7C, D) | o Resource Management deserves attention by Army schools as soon as RM Policy is published and should possibly include programming. | o Increased emphasis on training individuals, military and civilian, as manpower managers. |
| (7E) | o Army civilian personnel training needs some degree of management scrutiny. | o Increase in capability to get maximum utilization from civilian employees. |
| (7F) | o Centralized level management by DCSPER of Army Civilian Personnel training is needed. | |
| (7G) | o Except for actual combat, civilian employees and military personnel should be treated with equal consideration. | |

ALTERNATIVES:

- o Maintain status quo.

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ISSUE #8 -- PERSPECTIVE

MAJOR
ISSUE

"Implementation"

Concurrent?

(YES or NO)

When?

PROBLEMS

(NOTE: Problems are associated with previous (1974) reorganization.)

- Most significant problem associated with 1974 reorganization was audit trailing spaces and tracking job descriptions (ensuring job descriptions were accommodated).
- Other problems were: developing a new mission and functions manual and revising DA publications.

HISTORICAL
REVIEW

- Last major reorganization of Army Staff was in 1974. (Remaining historical comments refer to this reorganization)
- Transfer of spaces and budget related functions made effective at end of FY.
- CSA decision included space allocation, missions and functions down to directorate level.
- Some "compromising" occurred.
- Coordination with building administrator slowed physical moves. Some by 5-6 months. (Remodeling, etc.)
- Determined that it was infeasible to achieve an "overnight" transition.

ISSUE #8 -- SPECIFIC QUESTIONS		
MAJOR ISSUE	8	<u>"Implementation"</u>
	8A	Make changes concurrent, concentrated about "I-Date"?
	8B	Best time for concurrent execution?
RELATED ISSUES	8C	Who should be <u>responsible</u> for planning and execution?
	8D	How should manpower spaces be determined?
	8E	How can costs be kept to a minimum?
	8F	How can staff concern, discomfort, and inconvenience be minimized?
	8G	What policies are needed to assist smooth changes?
	8H	What "special actions are needed to ensure execution is accomplished as planned?



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8A

Yes. If changes are made sequentially--very difficult to manage.

8B

Depends on focus:

- o For PPBS, January 79.
 - o For planning, no earlier than August or September 78.
 - o For preparation, no earlier than September or October 78.
 - o For summer personnel changes, Fall preferred.
 - o For ADP systems, month-end is best.
 - o For Civilian Personnel, end of pay-period is best.
 - o For OSD Studies now ongoing, 6-12 months delay needed.
 - o For physical move, long-weekend desirable.
- Best: Implementation - end January 79.

Next Best: March 1979

8C

Several possibilities:

- o RMSG (in part) could direct, coordinate effort.
 - o D/M could direct through establishment of functional work groups.
 - o DA Staff Heads could be responsible for new organizations if necessary coordination is provided from OCSA.
 - o Director Level Personnel involved, if designated early, could carry major role in planning, execution.
- Best: Combination of Directors, Staff Heads, and OCSA working groups direction and control, by D/M or RMSG.

8D

Centrally controlled--full involvement of functional heads:

- o Functional work groups can provide base organization.
- o Directors and Staff Heads should provide their position.
- o DAS delegated authority to approve implementation plan.
- o On-site survey to follow during first year of operation for fixing final authorizations.

8E

Possible Considerations:

- o No initial remodeling (partitions, painting, etc) unless "critical" need can be demonstrated.
- o No additional furniture.
- o No physical move unless clearly required for efficient operations.

8F

Possibilities:

- o Extensive information briefings.
- o Authorize compensatory time.
- o Close down operations (emergencies excepted) for those involved in moves.
- o Authorize early moves if feasible.
- o Take into consideration civilian pay periods and "major action" deadlines.

8G

Need to address:

- o Space management --keep own furnishings, other property.
- o Remodeling authority.
- o Procedures for evaluating suggestions, proposals, complaints.

8H

Possibilities:

- o Schedule CSA, VCSA, and DAS to visit all involved offices soon after implementation.
- o Require DM initiate a "first year" assessment report.

"Implementation"

8A

Why must organizational changes occur close to "I-Data"?

- Sequential functional changes spread over time would contribute to problems in implementation management and perpetuation of turbulence.
- Close interface between major functional areas realigned require virtually simultaneous implementation.
- Sequential changes over time may not result in total resource management improvements desired.

8B

Why is end January the best implementation time?

- Period hits the resource management "window" of before POM submission but after FY 78 Budget development.
- Optimizes critical areas impacting on implementation timing-- PPBS, ADP systems, civilian pay period.

8C

Why is a combination of responsibilities required for planning and execution of functional realignments?

- Central OCSA direction and control is necessary to insure management concepts and expanded functional responsibilities are effected.
- Detailed Staff agency planning is necessitated by changing roles, to minimize turbulence, and to insure manpower audit trails.
- Designation of functional Directors as planning group heads provides expertise for detailed process development.

8D

Why is central control of manpower changes necessary?

- To insure elimination of manpower audit problems similar to those encountered during the 1974 Staff reorganization.
- Functional planning groups and Staff agencies must develop base organizations but central control is necessary to ensure concept implementation to preclude "compromises" that affect the desired results.

8E

How can cost of functional realignments be minimized?

- No physical organizational moves allowed unless clearly required for efficient operation e.g., No real need foreseen to initially merge PA & E and other COA offices due to relative proximity.
- Coordinate transfer of existing furniture and facilities, without delay for remodeling/refurnishing.

8F

Recommendations are explanatory

8G

Recommendations are explanatory

8H

Why are "special actions" needed to ensure execution is accomplished as planned?

- To provide emphasis to changes in resource management concepts.
- To ensure the sum of the functional realignments implemented equals the totality of planned improvements.

ISSUE 8 -- IMPACTS

"Implementation"

8A

Impact of implementing all organizational changes close to the proposed "I-Date".

- Reduces personnel turbulence.
- Ensures continued interface of critical functions.
- Ties civilian manpower transfers closely to administrative end of pay - period.
- Develops implementation of a "package" vs. incremental realignments.
- Requires simultaneous change in resource management concepts and processes for many existing/developing Staff functions.
- Necessity to accomplish many functional realignments/ moves over a holiday weekend.
- Potential requirement for further reorganization due to ongoing OSD Studies.

8B

N/A

8C

N/A

8D

N/A

8E

N/A

8F

N/A

8G

N/A

8H

N/A

XIX. DA STAFF DECISIONS

DROPPED AND DEFERRED ISSUES

1. Decisions on study recommendations were made by the CSA on 25 May 1978. Prior to this date, several SELCOMS were held for the purpose of finalizing DA Staff resource management recommendations. The first of these, held on 4 April, was primarily informative and resulted only in decisions relative to issues that were dropped or deferred and to a target implementation date of 1 Oct 1978. Issues dropped or deferred as a result of this first SELCOM follow:

a. Sub-issues/questions dropped from further study consideration by VCSA decision:

(1) Army Programing

- (a) Does performance of the function hinder DAS missions?
- (b) Is guard against excess COA power needed?

(2) Resource Management/Role of COA

- (a) Shift OMA directorship to DCSOPS?
- (b) Hold COA responsible for DA staff coordination, review and program integration of Reserve Component resource management actions?

(3) Decision-Making and Role of DAS

- (a) Establish Policy and Guidance office within OCSA?

(4) Army-wide Resource Management Policy

- (a) Stress need for close face/space relationship in all personnel-manpower management?
- (b) Revalidate policy that MACOM HQ organization is a MACOM determination?

b. Sub-issues/questions deferred by VCSA decision:

(1) Manpower Management

- (a) Form SSA/FOA for ADP Support?
- (b) Treat CITF as Manpower function?

(c) Establish Civilian Pay Acc't?

(2) Resource Management/Role of COA

(a) Emphasize COA Cost Analysis capability for technical review?

(b) Redefine Appropriation Director responsibilities into fiscal and functional?

(3) Decision-Making and Role of DAS

(a) Adopt revised decision-making procedures?

(b) Increase role of DAS in decision procedure determination?

(c) Increase, very selectively, direct CSA involvement in decision-making process?

(d) Encourage decisions by functional managers?

(e) DAS emphasize guidance?

(f) Combine PGRC and BRC into PBC, chaired by COA?

(g) Reduce use of committees through revised procedures?

(h) Schedule SELCOM monthly geared to critical decision points?

(i) Conduct quarterly CSA RM SELCOM?

(4) Army-wide RM Policy

(a) Develop Army RM Assistance and Assessment Program (ARMAAP).

(b) Charge TIG with DA Staff responsibility for field operation of ARMAAP.

(c) Institutionalize Army-wide role of comptroller in RMR.

(d) Use ARMAAP to field validate DA RM Policy and manning guidance?

(e) Refocus Staffing Guides/Manpower Surveys to increase value for field user?

(5) Career Management Impacts

(a) Establish speciality code for Manpower Management in OPMS and EPMS.

(b) Place all manpower specialists in manpower Career Program (26).

(c) Increase emphasis on RM training for military managers.

(d) Increase emphasis on RM training for civilian managers.

(e) Have DCSPER provide centralized DA management of civilian personnel training.

(f) Seek changes in policy regarding the management of DA civilian personnel in line with the needs of the Army.

(6) Implementation

(a) Make changes concurrent, concentrate about "I-Date".

c. Issues in the deferred category have been referred to the Director of Management for additional evaluation.

2. At the 2nd and 3rd SELCCM's, 18 April and 4 May 78 respectively, substantive recommendations were formulated. Because of the action taken earlier to drop or defer certain issues, SELCOM recommendations focused on five major issues rather than the original eight as shown in figure XIX-1:

THE MAJOR ISSUES

<u>INITIAL</u>	<u>FINAL</u>
1. Manpower Management	1. Manpower Management
2. Training Management	2. Training Management
3. Army Programing	3. Resource Management Review
4. Resource Management/Role of COA*	4. BASOPS and Other Functional Transfers
5. Decision-Making and Role of DAS **	5. Resource Management Policy
6. Resource Management Policy	6. Implementation
7. Career Management Impacts **	
8. Implementation	

NOTES: * Restructured

** Major issues deferred or dropped

Figure XIX-1

FINAL RECOMMENDATIONS AND CSA DECISIONS

1. DA Staff recommendations to the CSA, together with CSA decisions for each of the final major issues are as follows:

<u>DA STAFF RECOMMENDATIONS</u>	<u>CSA DECISIONS</u>
a. <u>Manpower Management</u>	
<ul style="list-style-type: none">• Consolidate the Manpower Function in DCSPER by transferring the following:<ul style="list-style-type: none">• Manpower programming (from ODCSOPS)• Manpower space allocation (from ODCSOPS)• Manpower Documentation (AFP) (from ODCSOPS)• Methods and Standards Policy (from OCA)• Charge the Director of Manpower in DCSPER to:<ul style="list-style-type: none">• Give special attention to the impact/ integration of AIF, NAF and CITF spaces• Develop an effective manpower reporting system• Tie manpower reports to personnel reports• Require Appr'n/Program Directors to include manpower in resource formulation and pay more attention to this resource	<ul style="list-style-type: none">• All manpower recommendations approved except that only <u>manpower</u> related methods and standards will be transferred from COA
b. <u>Training Management</u>	
<ul style="list-style-type: none">• Consolidate the military training function in ODCSOPS• Transfer existing staff responsibilities for the following functions to ODCSOPS:<ul style="list-style-type: none">• Individual military training management (from ODCSPER)• Directorship of Program 8T (from ODCSPER)• DCSPER retain staff responsibility for loading the training base, professional development and career management• DCSPER retain staff responsibility for pre-commission, civil education, and civilian personnel training	<ul style="list-style-type: none">• All training recommendations approved
c. <u>Resource Management Review</u>	
<ul style="list-style-type: none">• Brief CSA on:<ul style="list-style-type: none">• The RMSG recommendation (PA&E and RMR to COA)and• Alternative (Retain PA&E in OCSA and assign RMR to PA&E) <p>(see table VI-B-1 on page for details of RMR recommendation and alternative)</p>	<ul style="list-style-type: none">• Charge the DPA&E with responsibility for Total Army Resource Management Review and for developing a CSM describing the details of this function• DA Staff actions which have a resource impact must be coordinated with PA&E• The COA will provide assistance to PA&E for RMR requirements involving budget, current and prior fiscal years

BA STAFF RECOMMENDATIONS

CSA DECISIONS

d. BASOPS and Other Functional Transfers

- o Transfer program/functional management responsibilities from COA as follows:
 - oo Base Operations Troop Support Activity management (functional accounts A, B, C, D, E, F, G, M, P, Q) to ODCSLOG
 - oo Base Operations RFMA management (functional accounts H, J, K, L, N, R) to OCE
 - oo FYDP Program 9 to ODCSPER
 - oo Functional management of Base Operations Account M to ODCSPER
 - oo AIF management (exclusive of fiscal responsibilities) to ODCSLOG

o All BASOPS recommendations approved

e. Resource Management Policy

- o Charge the COA to develop an Army-wide policy for the effective management of resources
- o The term "Resources" means "all manageable assets including time"

o RM Policy recommendations approved

f. Implementation

- o Make implementation of required functional realignments effective 1 Oct 78
- o Delegate the DAS to approve the detailed Resource Management Study implementation plan

o Implementation recommendations approved

2. CSA/VCSA decisions keyed to each of the recommendations discussed within chapters V through XIV are outlined below:

RECOMMENDATION

PAGE

ACTION

Manpower Management

- | | | |
|-----|------|---|
| 1a. | V-17 | CSA approved |
| 1b. | V-17 | CSA approved. Methods and Standards transfer limited to manpower related policy |

Programing and Budgeting

- | | | |
|---|--------|---|
| 1 | VI-A-7 | CSA approved alternative (see page VI-B-1) |
| 2 | VI-A-8 | CSA approved alternative (see page VI-B-1) |
| 3 | VI-A-8 | CSA approved, integral to decision on alternative |

Resource Management/
Role of COA

- | | | |
|--------|----------|---|
| B1a. | VII-B-11 | OMA dropped, CSA approved BASOPS |
| B1b(1) | VII-B-11 | CSA approved alternative 1 (see page VII-D-1) |
| B1b(2) | VII-B-11 | CSA approved |
| B2b(3) | VII-B-11 | CSA approved alternative (see page VII-D-6) |
| C1 | VII-C-2 | CSA approved |
| C2 | VII-C-8 | CSA approved alternative (see page VII-D-6) |

RECOMMENDATIONPAGEACTIONTraining Resources and
Responsibility

1	VIII-13	CSA approved
2	VIII-14	CSA approved
3	VIII-15	CSA approved

Military and Civilian
Career Field Impacts

A1	IX-A-3	Deferred by VCSA decision
A2	IX-A-3	Deferred by VCSA decision
B1	IX-B-3	Deferred by VCSA decision
B2	IX-B-3	Deferred by VCSA decision
B3	IX-B-3	Deferred by VCSA decision
B4	IX-B-3	Deferred by VCSA decision

Army-Wide Resource
Management Policy

1	X-1	CSA approved
2	X-1	CSA approved

Field Management Advisory
and Assessment Capability

1	XI-5	Deferred by VCSA decision
---	------	---------------------------

Reserve Component
Considerations

1	XII-5	Not addressed separately but integral to Programing alternative decision
2	XII-5	Subordinate recommendations dropped or deferred by VCSA decision

Special Considerations -
AIF, NAF, CITF

Ala	XIII-A-3	CSA approved
Alb	XIII-A-3	CSA approved
B1	XIII-B-6	See Note 1
Cl a	XIII-C-3	See Note 1
Cl b	XIII-C-4	See Note 1
Cl c	XIII-C-4	See Note 1

NOTE 1: Tied to CSA decision on Manpower management to charge the Director of Manpower in DCSPER to give special attention to the impact/integration of AIF, NAF and CITF spaces.

Decision-making and
Role of DAS

1a.	XIV-5	Deferred by VCSA decision
1b.	XIV-5	Deferred by VCSA decision
1c.	XIV-5	Deferred by VCSA decision
1d.	XIV-5	Deferred by VCSA decision
1e.	XIV-5	Deferred by VCSA decision
1f.	XIV-6	Dropped by VCSA decision
1g.	XIV-6	Dropped by VCSA decision

CHIEF OF STAFF

Memorandum

U. S. ARMY

DISTR A EXPIRES 31 July 1978

* CSM 77-5-36

DATE 19 July 1977

FILE CS 310.1 (19 Jul 77)

ACTION OFFICER/EXT
MAJ Campbell/jrf/77343

SUBJECT: Study of Resource Management on
the Army Staff

MEMORANDUM FOR: HEADS OF ARMY STAFF AGENCIES

1. PURPOSE. This memorandum provides for the establishment of a study group to assess the feasibility of establishing an Army Staff agency for resource management.
2. REFERENCE. HQDA Memorandum for Heads of Army Secretariat Agencies and Heads of Army Staff Agencies, dated 8 July 1977, subject: HQDA Reduction Planning.
3. BACKGROUND.
 - a. Resource (dollar and manpower) management responsibilities on the Army Staff are distributed among several Staff agencies.
 - b. Operational experience at TRADOC and USAREUR has confirmed that the single manager concept (Deputy Chief of Staff for Resource Management) is a feasible organizational alternative at the MACOM level.
 - c. A 1976 Manpower Management Function Study conducted at HQDA to address manpower problems surfaced by OTIG recommended subject study be initiated.
 - d. The Vice Chief of Staff, Army (VCSA) directed that subject study be conducted as soon as possible.
4. MISSION. The mission of the study group is to—
 - a. Assess the feasibility, desirability, and expected impact of consolidating programing, budgeting, financial management, and manpower management responsibilities in a single Army Staff agency.
 - b. Propose, and evaluate implications of, organizational alternative for resource management and identify relationships and interfaces among the Army Staff, the field, and external agencies.
 - c. Propose, and evaluate implications of, changes to existing military and civilian career management fields to accompany organizational alternatives proposed.

* This memorandum supersedes CSM 77-5-27, dated 13 June 1977, subject as above.

SUBJECT: Study of Resource Management on the Army Staff

d. Recommend, and identify resource implications of, alternative courses of action to the VCSA for approval.

e. Prepare and coordinate an implementation plan for approved actions.

5. COMPOSITION. The study group will consist of--

a. A chairman designated by the Director of the Army Staff (DAS).

b. Full-time working members (04/05 or GS-13/14) from ODCSOPS, ODCSPER, and OCA. Members must be knowledgeable of the resource management functions and responsibilities of their organizations.

6. SCOPE. The study will encompass all aspects of the resource management and allocation process at HQDA. Organizational structure, staff relationships, operating procedures, and functional responsibilities will be addressed. Constraints are as follows:

a. The Report of the Manpower Management Study Group, dated 28 February 1977, and results of the 1977 manpower survey of OCA will be used as source documents for the study.

b. The Appropriation and FYDP Program Director structure as described in CSRs 11-5 and 37-4 should remain basically intact to provide checks and balances with the single manager. However, the study group may recommend adjustments to this basic framework to eliminate unnecessary duplication and to accommodate Staff realignments that may be recommended.

c. Staff agencies should retain an internal capability to manage agency resources and accomplish Program Director responsibilities.

7. STAFF RELATIONSHIPS.

a. The study group chairman is authorized direct access to OSA, Army Staff agencies, major commands, and field activities to obtain information and assistance in connection with the study.

b. Taskings will be accomplished through the DAS.

c. The study group will work in close concert with the Steering Committee, Support Group, Manpower Functional Work Group (FWG), and Financial FWG established by referenced memorandum. Direct access to other FWG is authorized as required. Close coordination with PAED, OCSA is required.

d. The study group chairman will invite representatives of OSA offices to consult with the study group as required.

UBJECT: Study of Resource Management on the Army Staff

. DIRECTION AND CONTROL.

- a. The Director of Management, OCSA, is assigned overall responsibility for the study effort.
- b. The study group chairman will report to the Director of Management.
- c. The study will be conducted in accordance with the milestone schedule at the inclosure.
- d. The study group will remain active for a sufficient period of time to develop and staff an implementation plan for approved resource management actions unless terminated sooner by the DAS.

9. ADMINISTRATIVE SUPPORT.

- a. All administrative support (space, clerical, equipment) will be provided by DDAS(ES), OCSA.
- b. Funds for travel, per diem, and overtime will be provided by the parent organization of the study group member. Other costs incident to and in support of this effort will be provided by OCSA.
- c. Army Staff agency points of contact and study group members from ODCSPER, ODCSOPS, and OCA will be as designated in response to CSM 77-5-27 unless substitutes are designated by Staff agencies. Names and extensions of substitutes should be provided to Management Directorate, OCSA (MAJ Campbell, ext. 77343) NLT 22 July 1977.

BY DIRECTION OF THE CHIEF OF STAFF:

1 Incl
as

John R. McGuffert
JOHN R. MCGUFFERT
Lieutenant General, GS
Director of the Army Staff

SUSPENSE:
All addressees--22 Jul 77--para 9c

CF:
OSA (Adm Asst)
ASA(IL&FM)
MD, OCSA

MILESTONE CHART

<u>DATE</u>	<u>ACTION</u>
22 July 1977	Chairman assigned. .
25 July 1977	Study group members report for duty.
27 July 1977	Study group initiates work with Manpower and Financial Management FWG.
16 September 1977	Concept for resource management on the Army Staff (i.e., consolidated agency or distributed functions) submitted to Reduction Planning Steering Committee.
20 September 1977	IPR conducted in conjunction with reduction planning IPR. VCSA approval of concept requested.
27 September 1977	Adjustments to concept prepared for inclusion in reduction plan.
28 September 1977	Concept for resource management forwarded to SA and CSA as part of draft reduction plan.
****	Refinement of concept and preparation of implementation plan for approved resource management concept (date to be determined based on guidance from VCSA or CSA).

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CHIEF OF STAFF
Memorandum
U. S. ARMY

DISTR A EXPIRES 31 July 1975

CSM 77-5-39

DATE 15 August 1977

FILE CS310.1 (15 Aug 77)

ACTION OFFICER/EXT
MAJ Campbell/1s/77243

SUBJECT: Study of Resource Management
on the Army Staff

MEMORANDUM FOR: HEADS OF ARMY STAFF AGENCIES

CSM 77-5-36, dated 19 July 1977, subject as above, is changed as follows:

Page 2, paragraph 5b.

b. (Superseded). Full-time working members (04/05 or GS-13/14) from ODCSOPS, ODCSPER, ODCSLOG, OCA, and PAED, OCSA. Members must be knowledgeable of the resource management functions and responsibilities of their organizations.

BY DIRECTION OF THE CHIEF OF STAFF:

McGuffey
JOHN R. McGUFFEY
Lieutenant Colonel, GS
Director of the Army Staff

CF:
OSA (Admin Asst)
ASA(II&FM)
MD, OCSA

APPENDIX B

GAS FORM 62, 1 MAR 66

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CHIEF OF STAFF
Memorandum
U. S. ARMY

DISTR A EXPIRES 31 July 1978

CSM 77-5-59

DATE 29 November 1977

FILE CS 310.1 (29 Nov 77)

ACTION OFFICER/EXT
MAJ Campbell/lr/77343

SUBJECT: Study of Resource Management on the
Army Staff

MEMORANDUM FOR: HEADS OF ARMY STAFF AGENCIES

CSM 77-5-36, dated 19 July 1977, subject as above, is changed as follows:

Page 2, paragraph 4. Add subparagraph f as shown below.

f. Assess training management on the Army Staff and recommend--

(1) Changes in the Army Staff organization for training management that will contribute to improved resource management capabilities.

(2) Changes in Army Staff organization, procedures, and staff relationships/responsibilities to optimize training management.

Page 2, paragraph 5. Add subparagraph c as shown below.

c. Part-time representatives from Army Staff agencies assigned responsibilities for training management. Members must be knowledgeable of their parent agency's training responsibilities and will augment the study group as required.

Page 3, paragraph 8. Add subparagraph e as shown below.

e. The training assessment will be conducted in coordination with the following study efforts: Army Training Study (chaired by BG Frederic V. Brown, III) and the Review of Education and Training for Officers (RET) (chaired by MG Benjamin L. Harrison).

Inclosure. Remove the inclosure to CSM 77-5-36 and substitute the attached inclosure.

BY DIRECTION OF THE CHIEF OF STAFF:

1 Incl
as

CF:
OSA (Admin Asst)
ASA(IL&FM)
MD, OCSA
Chairman, RETO Study Group
Chairman, Army Training Study Group

Mr. Gist
JOHN R. McGUIRE
Lieutenant General, GS
Director of the Army Staff

APPENDIX C

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MILESTONE CHART

<u>DATE</u>	<u>ACTION</u>
22 July 1977	Chairman assigned.
25 July 1977	Study group members report for duty.
27 July 1977	Study group initiates work with Manpower and Financial Management FWG.
15 September 1977	IPR with VCSA.
8 November 1977	IPR with agency deputies.
21 November 1977	IPR with SELCOM.
November/December 1977	Update briefing for CSA.
31 December 1977	Research and analysis completed.
31 January 1977	Draft study plan completed and staffing initiated.
March 1977	Decision briefing to CSA/VCSA.
April 1977	Implementation plan published.

INCLOSURE

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Resource Management in the Army
1776 - 1978
Before World War II

Resource management in the Army since the Revolution has been the process by which funds and manpower have been distributed throughout the Army under strict limits established by Congress. The emphasis until World War II generally was on accountability for funds spent rather than the Army's military capabilities or performance. Congress deliberately fragmented responsibility for resource management among the chiefs of a number of tightly centralized bureaus, later called the technical services. Practically all the money Congress appropriated for the Army was divided among these services down to FY 1953. They controlled their own programs and budgets, personnel management, training, operations, and supply systems.

Nowhere in the Army was there a single executive responsible for managing bureau operations in the interests of the Army as a whole. Bureau activities overlapped each other in the field, and disagreements went directly up the bureaus' chains of command to the Secretary of War who lacked the technical knowledge to settle them. All these disputes generated tons of paperwork wrapped in red tape.

Secretary of War Elihu Root created the Office of Chief of Staff assisted by a General Staff to introduce greater order and discipline in managing the Army's resources. The Chief of Staff would reflect the interests of the Army as a whole in settling the bureaus'

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APPENDIX D

parochial disputes. In practice, Congress prevented the Chief of Staff and the General Staff from exercising effective control over the bureaus' management except during the last months of World War I. Congress even prohibited the use of those industrial management techniques associated with Frederick W. Taylor's "Scientific Management."

After World War I Congress created additional bureaus for the combat arms who became responsible for personnel management and training within their jurisdiction. One of these was the infant Air Service, which, during the long armistice between the two world wars, was able to obtain limited funds for research and development performed under contract by the infant aircraft industry. The other bureaus tried to get along with extremely limited funds for procurement and installation operation and maintenance, funneled through the technical bureaus. Congress also required the War Department to create a budget officer who would be responsible to a new Congressional Bureau of the Budget. The Chief of Finance was assigned this function, which was largely a matter of cutting budget requests from the bureaus before submission to Congress during the inter-war years.

The General Staff created by General Pershing determined policies in the functional areas of personnel and administration; intelligence; organization and training; supply, and war plans. They had no substantive control over resource management. Their primary mission was to recommend what policies should be adopted in their

functional areas and to supervise their execution once they had been approved. Their procedures involved extensive lateral coordination which often resulted in avoiding controversial disagreements through waffled compromises or passing them on to the Chief of Staff. They were generally unable to distinguish between important questions of policy and minor administrative details which tended to clog channels of communication. In time the General Staff became a ponderous staff layer between the agencies directly responsible for managing the Army's resources and the Chief of Staff.

World War II

This dilapidated structure for managing the Army resources broke down during World War II, just as it had in World War I. General George C. Marshall, one of President Roosevelt's principal military advisors, could no longer waste time managing the War Department's operations. He shunted the General Staff to one side, replacing it with a structure that would assist him in dealing with the rapidly changing problems of global military strategy. His command post was the Operations Division (OPD) which provided him with prompt, relatively reliable information on which to make strategic decisions. OPD developed streamlined staff procedures, eliminating most of the red tape characteristic of traditional Army Staff procedures.

Management of the Army's resources to provide trained combat units, properly equipped for deployment in the right place at the right time was the responsibility of the Army Ground Forces, Army Air

Forces, and Army Service Forces. Army Ground Forces was responsible for training land forces. Army Air Forces was responsible not only for training, but also for the research, development, and production of entire aircraft weapon systems. A Management Division within the Office of the Chief of Army Air Forces (AAF) was responsible for manpower and statistical control, including the application of industrial work measurement techniques. The Budget and Fiscal Office, a special staff agency, was largely an accounting and audit agency because Congress placed no ceilings on budgets or manpower during the war. Substantive controls over resource management within the AAF rested with the Assistant Chiefs of Staff for Personnel; Training; Materiel, Maintenance, and Distribution; and Operations, Commitments, and Requirements. In the field there was an Air Training Command and a Materiel Command. The latter was responsible for research, development, production, and procurement of aircraft systems. Army Air Forces was a rationalized vertically integrated command, and consequently its structure permitted generally effective control over all resource management functions.

This was not the case with Army Service Forces, the agency charged with the War Department's administrative and resource management functions, among other things. The reorganization planners unwisely ignored the example of General George W. Goethals' Purchase, Storage, and Traffic Division, which had provided an integrated Army supply system and dissolved the separate technical bureaus during World War I. Such a plan had been suggested to Under

Secretary of War Patterson who unfortunately rejected it. Instead of a rationally integrated command similar to the Army Air Forces', General McNarney and his assistants lumped together in an unwieldy holding company all the leftover War Department functions not absorbed by OPD, AAF, and AFF, including the management of CONUS installations and activities. The reason that this organization functioned at all was General Marshall's deliberate selection of General Erehon B. Somervell, ASF's Commanding General, as his de facto G-4 on global logistics.

Where the specific resource management functions within AAF are relatively easy to indentify on an organizational chart, these same functions within ASF were fragmented up and down the line. The Technical Services still continued as independent empires, exercising all resource management functions, but they were under the overall control of ASF headquarters. Somervell established a Control Division under General Clinton F. Robinson, which was responsible for promoting most industrial management techniques, including manpower surveys, and work and measurement surveys -- activities which antagonized the Technical Services. There were specifically designated ASF staff agencies responsible for personnel management (except for War Department civilian personnel, who were under the Chief Clerk in the Under Secretary's Office); military training of technical service personnel outside AAF; supply; and research and development. The Chief of Finance was transferred to ASF headquarters from the Secretary's office, and The Adjutant General's

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office continued under ASF to perform a mixture of personnel and administrative functions.

Those budgeting functions associated with base and installation management were performed under approximately ten service commands within CONUS, which allocated funds for base and installation management and operations within their areas. Fierce antagonisms developed between ASF base commanders and the commanders of the training or technical service activities located at those installations.

Under the direction of General Somervell's staff, the Technical Services were generally responsible for managing their own programs. When critical shortages in selected raw materials and manufactured items developed during 1942, the War Production Board developed a Controlled Materials Program (CMP) which allocated them among the various military, industrial, and agricultural claimants. (The CMP was a direct ancestor of Secretary McNamara's Planning, Programing, and Budgeting System which was put together in 1961 by two veterans of CMP, Charles J. Hiten and David Novick.) Serious conflicts also developed between ASF, the Navy, and the War Production Board.

When nation-wide manpower shortages developed during the war, responsibility for personnel management was further fragmented, leading one industrial management expert to complain that there was no single authority within the War Department with effective control over this area. One of the most embarrassing problems concerned the size of the Army. Each agency reported different figures with the

result that General Marshall never knew how many men and women were in the Army at any given time. A Strength Accounting and Reporting Office within the Secretary's office, composed of trained statisticians, gradually developed relatively accurate military and civilian manpower data, assisted by personnel from AAF's Management Division and ASF's Control Division.

Research and development functions were not only fragmented, but largely neglected because they were carried on, except for the Manhattan Project, by the technical services, who were production oriented and interested in improving existing weapons rather than developing new ones. Outside AAF, very few military officers thought then or later in terms of entire weapon systems.

The most serious problem during the war in the production of new or improved weapons was the long lead time between requests from theater commanders for weapons and equipment and their arrival on the battlefield. A New Developments Division was added to the War Department Special Staff. Its function was to expedite battlefield delivery of requested equipment, and the activities of this division supplemented rather than conflicted with the Army Service Forces Research and Development Division's responsibilities and those of the technical services, particularly the latter's producer testing boards and the AGF's consumer testing activities at various proving grounds.

Korea

Resource management functions in the Army during the Korean War, with one exception, represented a return to the antiquated pre-World War II system, based on the technical services and the General Staff organized as a series of operating directorates. The Eisenhower Reorganization of 1946, abolishing both OPD's wartime role and the ASF, represented a complete rejection of modern industrial management techniques, although the Technical Services retained some functions of ASF's Control Division. Organizational planning had been a responsibility of ASF's Control Division. For no rational reason vestigial elements of this function were assigned to the Organization and Training Directorate whose officials knew little or nothing about the subject.

The reason that some agency on the General Staff had to take on these duties was the continuing feud over funds for installation and base operations, which the six CONUS armies had inherited from the ASF service commands after the war. Disagreements came up the chain of command daily through the Organization and Training Directorate.

No one on the Army Staff was satisfied with this fragmented approach towards resource management. In an effort to improve financial management after passage of the National Security Act of 1947, Secretary Kenneth Royall, with the approval of General Eisenhower, directed the creation of a military Army Comptroller (later Comptroller of the Army), with a civilian deputy, who would report to both the Secretary and the Chief of Staff. In early 1948,

this office took over those agencies responsible for the Army's financial management: the Chief of Finance, the Budget Office, the War Department Manpower Board, the Central Statistical Office (formerly the Strength Accounting and Reporting Office), and the Chief of Staff's "Management Office," a misleading title because this agency was responsible for administrative management within the Army Staff, primarily budget and personnel management.

Within the Comptroller's office, the Chief of Finance, including the Army Audit Agency, and the Budget Division were more concerned with fiscal management and accountability than financial management in its broader sense. The Statistical Division was responsible primarily for the development and control of statistical reports. The Management Division, whose functions were repeatedly referred to as "management engineering," took over the substance of ASF Control Division's functions.

The Management Division, supported by an outside management consultant firm, repeatedly tried without success to integrate the technical services along functional lines. Budgets and accounting became the primary interests of most comptrollers, and the traditional General Staff agencies tended to scorn this office as merely a glorified budget office. Some industries had similar experiences with their comptrollers.

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Between Korea and Mclamara
1953-1961

Held up by the requirements of the Korea War, a decade of piecemeal, fragmented, and generally unsuccessful efforts to consolidate programming, budgeting, financial management, and manpower began in 1953. The impetus for change came from the financial management amendments to the National Security Act passed in 1949. They had called for establishing comptrollers in OSD and the three services and for the introduction of functional program budgets. The first OSD Comptroller, Wilfred H. McNeil, was responsible for restructuring the Congressional defense appropriations categories along functional lines. The term "program" has meant different things to different people, but the McNeil Army budget was divided into eight functional categories initially, including OMA, PEMA, R and D, MCA, and MPA.

The Army Staff had been reorganized in 1950 to provide for "three deputies" above the General Staff, one for program planning, another for program execution, and the Comptroller for program review and analysis on a three-year cycle. Programs in practical terms except in installation and base operations existed on paper only within the Army until the late 1960s. The chief cause of the trouble was the complete divorce between military plans developed by the Joint Chiefs of Staff and the financial resources available to support them.

In practice, the Army Staff found it difficult to meet budget cycle deadlines, let alone prepare programs. The functional budget

categories deprived the Technical Services of their own budgets, a major step towards their ultimate dissolution. Budget procedures had to be completely rewired. The Technical Services had to develop separate budgets for each functional category. The Army Staff agencies responsible for the various categories had to try and allocate funds so that the total package for each Technical Service was properly balanced between its missions and the resources to support them.

The creation of a major combat training command, USCONHARC, in 1955 made it possible for Army Staff agencies to deal with a single headquarters instead of separate CONUS armies. These agencies allocated budgetary resources to CONARC which in turn sub-allocated funds to the CONUS armies for further allocation to installations and base activities. At the same time, the decade-old feud over housekeeping was solved by allotting funds for such activities to the Technical Service headquarters, which used them to reimburse base commanders for common services. A new technique for managing common defense programs, the Single Manager System, was adopted. The Quartermaster Corps contained the largest number of the Army's single managers, whose offices were organized within the headquarters of the technical services involved.

At the Army Staff level General Williston B. Palmer, the Vice Chief of Staff, abolished the "three deputy" experiment in 1955, a move which resulted in reshuffling the assignment of many resource management functions. Each Army Staff agency had its own comptroller

whose responsibilities included management engineering. The Office of the Deputy Chief of Staff for Logistics had a complicated structure for managing the technical services' resources. It had a special Business and Industrial Management office; a director for personnel responsible for civilian and military personnel management and manpower functions; a director of programs and budget responsible for allocating funds among the Technical Services, and a director of installations responsible for housekeeping functions. A new general staff agency, the Chief of Research and Development, was formed, but responsibility within the technical services for this function remained subordinate to production and procurement. The Deputy Chief of Staff for Operations also became responsible for organization and training activities.

Coordinating resource management activities, fragmented among staff agencies and technical services, was difficult and time consuming, and General Palmer as Vice Chief of Staff sought to pull these functions together under the Secretary of the General Staff. Manpower management and controls within the Army Staff were assigned to a new Staff Management Division, whose functions overlapped those of the Comptroller's Management Division. Policy planning was assigned to a Coordinating Group. Initially its primary mission was to assist the Chief of Staff in obtaining more resources for the Army. Another Program and Analysis Group, assisted by Program and Budget Advisory Committees, was responsible for balancing Army programs with the reduced financial and manpower resources available.

A major problem within the Army Staff during the 1950s was the preoccupation of military officers with operations, which led them to neglect the actions of those agencies which in fact were determining the size and structure of the Army.

Relations between the Army Staff and the secretariat became more complicated with the creation of five functional assistant secretaries in place of the one in existence when the Korean war began. Four of them involved resource management: financial management; manpower and reserve forces; logistics; and research and development. These paralleled a similar reorganization within OSD and led to charges then and later that the secretariat was unnecessarily duplicating the functions of the Army Staff, resulting in excessive coordination and paperwork.

The McNamara Period, 1961-1965

When Robert S. McNamara became Secretary of Defense, he was an accomplished technocrat and an effective chief executive officer. He brought with him from the Ford Motor Company all the latest industrial resource management techniques and a management philosophy of centralizing responsibility in a single individual rather than committees. This enabled him to establish firm civilian control over the military services. Almost immediately he ordered an investigation of the functions of the technical services in the Army under Project 80. This examination was carried out by a special in-house Army task force within the Comptroller's Management

Directorate. The result was to dissolve the headquarters of all the Chiefs of the Technical Services, except The Surgeon General and the Chief of Engineers. All those functions associated with the life cycle management of weapon systems were assigned to a new major field command, the Army Materiel Command. Technical training functions were transferred to the U.S. Continental Army Command, and officer personnel career management to an Office of Personnel Operations, a field agency of ODCSPER. A third agency, the Combat Developments Command, was assigned to develop new long-range combat doctrine based on changes in science and technology. In practice this agency became deeply involved in assisting a new General Staff agency, the Assistant Chief of Staff for Force Development, created in 1963 and made responsible for developing the Army's force structure.

Within AMC a major problem developed because it inherited the technical services' old commodity commands more or less intact. The result was, as indicated earlier, the continued subordination of research and development to considerations of production and procurement. AMC's first Commanding General, General Frank S. Besson, Jr., bypassed the commodity commands in the development of new weapons by placing them under Project Managers, who cut across regular command channels and had direct access to him when crises arose. The Project Managers generally employed some form of milestone schedule by which to measure progress, probably the first use of this management technique in the Army.

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The bulk of the Army Quartermaster supply personnel were transferred under Project to the Defense Supply Agency, along with most of their depots.

Agencies of the General Staff were generally successful in defeating Project 80 recommendations affecting their direct interests. The only immediate change affecting the Army's resource management was to place strategy, policy, and planning analysis under a Director of Coordination and Analysis, and responsibility for coordinating Army budget and programs under a Director of Army Programs.

The Army staff still had not developed an effective three-year planning, programming, and budget cycle, but Secretary McNamara insisted they do so under his mission-oriented Planning, Programming and Budgeting System and Five Year Defense Program (PPBS/FYDF), which introducing zero based budgets, among other things. McNamara insisted on prompt, accurate, and complete management informations systems to support the Army's requests for resources. Only integrated automatic data processing systems could supply this information, and the Army had none. There were many data processing systems of all kinds throughout the Army, but none of them could provide the Army staff with the information McNamara demanded.

At the same time, the Secretary of Defense demanded further information which would systematically analyze the effectiveness of alternative Army force structures. The Army Staff could not supply this information since it lacked trained systems analysts.

Consequently, systems analysts from the OSD comptroller's office began to bypass the Army staff and obtain the data they required wherever they could find it. During Secretary McNamara's incumbency the Army staff simply had to accept programs and force structure analyses developed by Mr. McNamara's "brain trust."

The Army staff rejected all attempts to integrate its fragmented management information systems, first by a branch of the Comptroller's Management Directorate under AUTOPROBE from 1961 to 1963 and then under a Special Assistant for Army Information Systems (AIDS) within the Chief of Staff's office from 1964 to 1967.

During the early McNamara period manpower management was fragmented among DCSPER, including its staff support agencies, OPD, TAG, COA's Management Directorate, and the Staff Management Division (SMD) within the Office of the Chief of Staff. Financial management was the responsibility of the Comptroller, but it had to coordinate allocations of OMA funds for base operations with other staff agencies involved, principally DCSLOG, before sub-allotting those funds to USCONARC and AMC. Training was a responsibility of DCSCPS, but the principal agency for spending such funds was USCONARC. Those Army management functions associated with management engineering, e.g. work measurement, were performed generally through the Army's chain of command under the general guidance of COA'S Management Directorate. Within the Army Staff, these were functions of SMD.

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The Vietnam War, 1965-68

The Vietnam War intensified the Army Staff's problems outlined above. Lacking any integrated programs and business management information systems, the Army Staff found that it could not "get the people it needed to man the structure it thought it should have, and it bought equipment for units it could not man." As the war escalated, Secretary McNamara and the staff of his Assistant Secretary for Systems Analysis intervened directly, determining the size, structure, and equipment of individual combat units, such as helicopter companies. The Army Staff was simply unable to challenge effectively the information on which Secretary McNamara made his Army force structure decisions. The agencies within the Chief of Staff's office struggling with those problems were hamstrung by Chief of Staff General Harold K. Johnson's insistence that they do nothing which interfered with the assigned responsibilities of the General Staff.

A temporary makeshift arrangement directed by Secretary McNamara in early 1966 through Secretary of the Army Stanley R. Resor led to the creation within the Chief of Staff's Office of a directorate for Force Planning and Analysis. Staffed in part by systems analysts from OSD, this agency was supposed to coordinate Army programs and develop integrated management information systems as well as perform some planning analysis. This arrangement did not last long, partly because General Johnson continued to insist that it should not interfere with the assigned responsibilities of the General Staff.

General Johnson and Secretary Resor had good reason to fear that Secretary McNamara might ignore the Army Staff completely. Consequently, in February 1967, General Johnson told the General Staff he was creating an office of Assistant Vice Chief of Staff as a temporary "integrating and review mechanism" for integrating the Army resource management functions. The Assistant Vice Chief's office consisted of a Coordinator of Army Studies with a small staff, and three operating directorates for force planning analysis, weapons systems analysis, and management information systems. While General Johnson remained Chief of Staff, the Assistant Vice Chief's office could not perform its functions effectively partially because of General Johnson's continued restrictions concerning the responsibilities of the General Staff Chiefs. The latter vetoed many projects aimed at integrated programming and management information systems.

VOLAR, 1969-1977

General Johnson's retirement in July 1968 was followed by a new administration in the White House, the beginning of American military withdrawal from Vietnam, and an attempt to rely on a small highly professional volunteer army supplemented by trained and ready reserves. Melvin R. Laird, the new Secretary of Defense, announced a policy of "participatory management" by the Armed Services in making resource management decisions. This meant that the Army would have to justify its requests for resources on the basis of the kind of

systems analysis previously performed within Secretary McNamara's office. If the Army failed to provide such detailed justifications, OSD might not accept or could cut back the Army's requests for resources. Concomitantly, the Army was also directed to cut back an additional billion dollars in its budget requests for 1970.

By this time the Army had had a change of guard. General William C. Westmoreland, the new Chief of Staff, appointed a management oriented Vice Chief, General Bruce Palmer, Jr., as general manager of the Army and Army Staff. General Palmer in turn supported the new Assistant Vice Chief of Staff, General William E. DePuy, in his efforts to restructure and reform the Army Staff's resource management systems. The General Staff Chiefs were not allowed to veto General DePuy's projects for integrating the Army programming and management information systems.

To deal with decreasing Congressional appropriations, General DePuy created the Select Committee (SELCOM), composed of the General Staff Chiefs. Under General DePuy's chairmanship, SELCOM by majority vote made the difficult decisions promptly on which budget requests had to be cut back and by how much. Within four years General DePuy had institutionalized an effective integrated Army planning, programming, and budget cycle. The Program Analysis and Evaluation directorate (PAE), as it is now called, directed the detailed staff work involved. Its present director, Major General Maxwell R. Thurman, was Chief of the Program Development Team.

Restructuring the Army's research, development, and acquisition of materiel was more difficult, because, as indicated above, the major problem lay in AMC's commodity subcommands. However, the directorate of Weapons Systems Analysis, working through a new Army Systems Acquisition Review Council (ASARC), forced the Army Staff and AMC to produce more effective justification and analysis of their requests for resources. In 1972 the decision to concentrate efforts on five new weapons systems forced AMC to place greater emphasis on research and development.

General DePuy was also the driving force behind the mammoth 1973 CONUS reorganization known as Operation Steadfast. Pressures both outside and inside the Army made such a reorganization advisable. Outside the Army there was political pressure to reduce headquarters staff and improve the "teeth to tail" ratio between combat and support forces. Within the Army there was mounting criticism that CONARC's span of control was too large and that CONARC was unable to direct the many functions and missions assigned to it. It had not provided the kind of trained technical personnel formerly provided by the technical services. CONARC's school system lacked a link between training and doctrine, the latter a function that CDC was not performing very well. There were also too many headquarters echelons between CONARC and the installation level.

By February 1973 General DePuy, using butcher boards, paper and magic markers and assisted by a small staff from the Coordinator of Army Studies, had developed and successfully marketed the concept

behind Operation Steadfast. Approval along the entire chain of command from Secretary Laird down to the Army staff led swiftly to the development of implementation plans and appointment of General James G. Kalergis as Project Manager for the Reorganization. Colonel Paul J. Raisig, Jr., became his deputy. Both men had considerable experience under General Johnson with Army resource management problems and shared General DePuy's management philosophy. Accordingly, they prepared a milestone schedule for monitoring the progress of the reorganization. As completed in mid-1973, Operation Steadfast abolished CDC and split CONARC into a single Training and Doctrine Command (TRADOC), which absorbed CDC's primary functions, and a Forces Command (FORSCOM), responsible for the combat readiness of all active and reserve combat forces within CONUS. The CONUS armies were eliminated from the chain of command between TRADOC/FORSCOM and installations commanders. The latter also commanded the major FORSCOM, TRADOC, or Army activities located at the installations, solving the housekeeping structural problems effectively. A small, high quality, and independent Operational Test and Evaluation Agency and a Concepts and Analysis Agency capable of analyzing weapons systems and force design at the departmental level were established.

The integration of Army health services under a single command, the Health Services Command, also took place in 1973. A study analyzing the need to restructure AMC headquarters and commodity commands proceeded independently, as discussed below.

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General DePuy became the first commanding general of TRADOC in 1973 and instituted the same kind of management reforms he had developed as Assistant Vice Chief of Staff. General Kalergis became Assistant Vice Chief of Staff and Colonel Raisig, as head of a Special Projects Office, continued monitoring the progress of Operation Steadfast and Project Concise, which involved closure of installations and activities no longer needed but with considerable political implications.

On the heels of Operation Steadfast, Chief of Staff General Creighton W. Abrams initiated the major reorganization of the Army Staff in twenty years. General Kalergis undertook to develop and market the concept behind the reorganization, using procedures similar to those employed by General DePuy in Operation Steadfast. There were several reasons behind General Abrams's desire to restructure the Army Staff. He wanted to cut back the Army Staff by transferring essentially operating functions to the field and expected to reduce the Army Staff by 50 percent in the process. Secondly, he sought to integrate all activities associated with a particular function as much as possible in one staff agency to reduce unnecessary lateral coordination. Finally, he sought to eliminate excessive red tape and paper work, which could lead to as many as twenty-six reviews of a proposed action before it reached the Chief of Staff or Vice Chief for decision.

Over a two-year period General Abrams cut back the Office of the Chief of Staff itself by fifty percent. In the 1974 staff

reorganization there were two principal changes: the offices of Assistant Vice Chief of Staff and the Secretary of the General Staff were eliminated and combined in a Director of the Army Staff with the rank of lieutenant general. Secondly, a Directorate of Management was created which absorbed the Special Projects Division (renamed the Army Management Division), the functions of SMD, and those of the Comptroller's Management Directorate.

The most significant change in the Army Staff concerned the Army's much criticized materiel acquisition programs. A single Deputy Chief of Staff for Research, Development, and Acquisition (DCSRDA) centralized responsibility for directing the entire life-cycle management of all materiel systems. The Weapon Systems Analysis Directorate in the Assistant Vice Chief of Staff's office was transferred to this new agency. The production and procurement functions of the Deputy Chief of Staff for Logistics were also transferred to DCSRDA.

Other changes affecting the Army's resource management structure were the consolidation of most manpower management policy responsibilities in ODCSPER and the creation of a Military Personnel Center (MILPERCEN) as its principal field operating agency. Civilian personnel management functions within the Army's Washington headquarters were transferred to the Military District of Washington, an agency responsible for support services for the Department of the Army and other DOD agencies. Responsibilities related to the Army's force structure were transferred from the Assistant Chief of Staff

for Force Development (ACSFOR) to the Deputy Chief of Staff for Operations and Plans.

The effectiveness of DCSFDA's resource management depended on the long overdue reorganization of AMC commodity commands. This was accomplished during FY 1976 when AMC was redesignated as the Materiel Development and Readiness Command (DARCOM) with two deputy commanding generals, one for Materiel Development and the other for Materiel Readiness. Still in the process of realignment are eight research and development commands and five readiness commands.

A politically sensitive area, foreign military sales, was another case where responsibility had been fragmented throughout the Army. In 1975 a Coordinator of Army Security Assistance (CASA) was created to develop and institutionalize a means of integrating a very complex network of relations within the Army Staff and DARCOM and with agencies outside the Army. With the successful accomplishment of this mission, CASA was abolished and its functions taken over by DCSLOG and DARCOM's International Logistics Command.

The Current Situation

The developments involving SELCOM during 1977 were the reassignment of the Director of Management Information Systems as Director of Army Automation (DAA), who is now responsible for policy, planning, and resource management of all Army automated information systems, including those intended for combat and those incorporated within particular combat weapons systems. It operates under the

accepted industrial management principle of centralized direction and decentralized responsibility and authority for operations.

The second development changed SELCOM's missions. Formerly a committee responsible for integrating the operations of the Army's planning, program, and budget cycle, it now has the added responsibility for integrating the Army's strategic planning functions, and has set up a Strategic Planning Subcommittee under the chairmanship of DCSOPS. A third development was the creation of the Army Command and Control Management Structure (AC² MS), under the sponsorship of DCSOPS, with a policy planning council, a steering committee, and a working group. The AC² MS seeks to provide a cohesive Army effort in developing, fielding, and integrating Army command and control systems for all levels of command. Another major project now under way is the Integration of Command and Control, Computers, and Communications(C⁴).

According to some critics, there remains a question concerning the advisability of combining the resource management functions formerly performed off-line by the Assistant Vice Chief of Staff with the routine administrative functions performed by the Secretary of the General Staff. They were separated with good reason in 1967 and the question might be reexamined.

There is another issue -- the desirability of establishing a separate career pattern for military managers apart from those centered on military operations. Effective military managers are relatively scarce, and troop command has not generally proved to be

an adequate training ground for resource managers in a complex
military establishment.

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